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TITLE 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

Subchapter B—Farm Ownership Loans

[FHA Instruction 428.1]

PART 331—POLICIES AND AUTHORITIES

TERRITORIAL SUBDIVISIONS IN PUERTO RICO

Section 331.16 of Title 6, Code of Federal Regulations (21 F. R. 10441, 10446, 22 F. R. 1269, 4436), is amended with respect to areas designated as subdivisions in Puerto Rico by (1) revoking the designation of the subdivisions named Mayaguez and Yauco, and (2) designating the following identified subdivisions:

PUERTO RICO

Name of Subdivision and Municipalities Comprising Subdivision

Mayaguez: Mayaguez, Anasco, Las Marias, Rincon, Hormigueros.
Yauco: Yauco, Guanica, Guayanilla, Maricao.

(Sec. 41, 50 Stat. 528, as amended; 7 U. S. C. 1015. Interprets or applies sec. 54, 50 Stat. 532, as amended; 7 U. S. C. 1028)

Dated: August 9, 1957.

[SEAL] H. C. SMITH,
Acting Administrator,
Farmers Home Administration.

[F. R. Doc. 57-6706; Filed, Aug. 14, 1957;
8:45 a. m.]

Chapter IV—Commodity Stabilization Service and Commodity Credit Corporation, Department of Agriculture

Subchapter B—Loans, Purchases, and Other Operations

[1957 C. C. C. Grain Price Support Bulletin 1, Supplement 1, Amdt. 1, Rice]

PART 421—GRAINS AND RELATED COMMODITIES

SUBPART—1957-CROP RICE LOAN AND PURCHASE AGREEMENT PROGRAM

The regulations issued by the Commodity Credit Corporation and the Commodity Stabilization Service (22 F. R.

2321) with respect to rice produced in 1957 which contain specific requirements for the 1957-Crop Rice Price Support Program are hereby amended as follows:

1. Section 421.2541 (d) is amended by removing the word "bulk" in the second sentence of the paragraph so that the amended paragraph reads as follows:

§ 421.2541 *Determination of quantity.*

(d) In the case of commingled rice, loans will be made and settlement with the producer will be made on 100 percent of the quantity of rice determined in accordance with this section, based on the quantity shown on the warehouse receipt or the supplemental certificate. In all other cases, loans will be made on 95 percent of the quantity of rice determined in accordance with this section, and the determination of quantity for settlement purposes will be made on the basis of the actual quantity acquired by CCC, except that in the case of rice stored modified commingled, settlement with the producer will be made on the basis of 100 percent of the quantity shown on the warehouse receipt or the supplemental certificate.

2. Section 421.2544 (a) is amended to include the final value factors for head and broken rice so that the amended paragraph reads as follows:

§ 421.2544 *Support rates*—(a) *Basic rates.* The basic support rate per 100 pounds of rough rice in approved storage and with all accrued charges paid through the applicable maturity date for loans, including all receiving and loading out charges, accrued or to accrue, shall be computed as follows: Multiply the yield (in pounds per hundredweight) of head rice by the applicable value factor for head rice (as shown in the table below according to class or variety). Similarly, multiply the difference between the total yield and head rice yield (in pounds per hundredweight) by the applicable value factor for broken rice. Add the results of these two computations to obtain the basic loan or purchase rate per 100 pounds of rough rice and express such rate in dollars and cents, rounded to the nearest whole cent.

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CFR SUPPLEMENTS (As of January 1, 1957)

The following are now available:

Title 14, Parts 1-39 (Rev. 1956)
(\$6.75)

Title 14, Parts 40-399 (Rev. 1956) (\$6.00)

Title 46, Part 146 to end (\$2.00)

Title 49, Parts 71-90 (Rev. 1956)
(\$6.25)

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VALUE FACTORS FOR HEAD AND BROKEN RICE

Group	Rough rice class or variety	Head Rice	Broken rice
I	Patna (except the variety Century Patna), and Rexoro (except the variety Rexark).	\$0.0997	\$0.035
II	Blue Bonnet, Nira, and Rexark.	.0947	.035
III	Toro.	.0877	.035
IV	Century Patna, Fortuna, R. N. and Edith.	.0847	.035
V	Blue Rose (including the varieties Improved Blue Rose, Greater Blue Rose, Kamrose and Arkrose), Magnolia, Zenith, Prelude, Lady Wright, and Nato.	.0767	.035
VI	Pearl, Calrose, Early Prolific, Calady, and other varieties.	.0702	.035

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; 15 U. S. C. 714c, 7 U. S. C. 1421, 1441)

Issued this 12th day of August 1957.

[SEAL] CLARENCE L. MILLER,
Acting Executive Vice President,
Commodity Credit Corporation.

[F. R. Doc. 57-6704; Filed, Aug. 14, 1957;
8:45 a. m.]

PART 446—PEANUTS

SUBPART—1957 CROP PEANUT PRICE SUPPORT PROGRAM

This bulletin (hereinafter called subpart) contains the regulations applicable to the 1957 crop Peanut Price Support Program, under which the Secretary of Agriculture makes price support available through the Commodity Credit Corporation and the Commodity Stabilization Service (hereinafter referred to as CCC and CSS respectively).

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446.901	Administration.
446.902	Availability.
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446.911	Service charges and fees.
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446.913	Personal liability of the borrower.
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446.919	Loans to associations.
446.920	Purchase of No. 2 shelled peanuts.
446.921	Eligibility requirements for No. 2 peanuts.
446.922	Sheller's agreement to service producers and the association.
446.923	Period in which offers will be accepted.
446.924	Minimum quantity and terms of offer.
446.925	Inspecting, grading, sealing, and rejecting No. 2 peanuts.
446.926	Net weight of No. 2 peanuts.
446.927	Delivery and passage of title.
446.928	Payment for No. 2 peanuts.
446.929	Records and reports.
446.930	Assignment.
446.931	Officials not to benefit.
446.932	Contingent fees.

AUTHORITY: §§ 446.901 to 446.932 issued under sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; sec. 201, 68 Stat. 899; 15 U. S. C. 714c, 7 U. S. C. 1441, 1421.

§ 446.901 *Administration.* (a) The program will be administered by the Oils and Peanut Division, CSS, under the general direction and supervision of the Executive Vice President, CCC. In the field the program will be carried out by Agricultural Stabilization and Conservation State Committees and by Agricultural Stabilization and Conservation County Committees (hereinafter called State and county committees) and the Dallas CSS Commodity Office (hereinafter called the commodity office). State and county committees and the commodity office do not have authority to modify or waive any of the provisions of this subpart or any amendments or supplements thereto.

(b) Associations operating under an Association Loan and Handling Agreement CCC Peanut Form 27 (1957) with CCC (hereinafter referred to as an Agreement with CCC) may receive, arrange for storage and handle eligible peanuts for and on behalf of eligible producers, using such peanuts as collateral for a loan made available by CCC.

§ 446.902 *Availability.*—(a) *Areas.* The program will be available in the following areas:

(1) The Southeastern area consisting of the States of Alabama, Georgia, Mississippi, Florida, and that part of South Carolina south and west of the Santee-Congaree-Broad Rivers.

(2) The Southwestern area consisting of the States of Arizona, Arkansas, California, Louisiana, New Mexico, Oklahoma, and Texas.

(3) The Virginia-Carolina area consisting of the States of Missouri, North Carolina, Tennessee, Virginia, and that part of South Carolina north and east of the Santee-Congaree-Broad Rivers.

(b) *Time.* Loans will be made through January 31, 1958, and will mature on May 31, 1958, or such earlier date as may be specified by CCC: *Provided, however,* That CCC may extend the maturity date beyond May 31, 1958. All farm storage loan documents must be dated and delivered to the county office on or before January 31, 1958. Warehouse receipts for peanuts delivered to an association operating under an agreement with CCC must show that the peanuts were received in the warehouse not later than January 31, 1958, and must have been issued within two business days after the peanuts were received in the warehouse.

§ 446.903 *Methods of price support.* CCC will support the price of eligible 1957 crop quota peanuts through non-recourse farm storage loans to eligible producers and non-recourse warehouse storage loans to associations operating under an agreement with CCC.

§ 446.904 *Definitions.* As used in this subpart and in instructions and documents in connection therewith, the words and phrases defined in this section shall have the meanings herein as-

signed to them unless the context or subject matter otherwise requires.

(a) *Association.* A group of producers organized in accordance with the provisions of the Capper-Volstead Act, for the purpose of handling agricultural products for and on behalf of its producer members, which qualifies as a cooperative in the State(s) in which it functions, is approved by CCC, and meets the following requirements.

(1) The major portion of the peanuts handled by the association is delivered to the association by producer members;

(2) The members and any non-members for whom the association handles peanuts have a right to share pro rata in the profits made from handling peanuts;

(3) The association has the legal right to pledge or mortgage the peanuts which it receives from producers who have no right to redeem or obtain possession of their peanuts after delivery to the association;

(4) The manager of the association must not be engaged in the business of buying, selling, storing, or dealing in peanuts, other than in his capacity as manager of the association or as a producer; and

(5) The association shall maintain such accounts and records as CCC may prescribe.

(b) *County office.* The office of the ASC county committee where records for the farm are kept.

(c) *Farm.* A farm as defined in the marketing quota regulations which in general defines a farm as all adjacent or nearby farmland which is operated as one farming unit.

(d) *Farm allotment.* The effective farm allotment for the 1957 crop of peanuts as defined in the marketing quota regulations.

(e) *Farmers stock peanuts.* Picked or threshed peanuts produced in the continental United States during the calendar year 1957, which have not been shelled, crushed, cleaned (except for removal of foreign material), or otherwise changed from the state in which picked or threshed peanuts are customarily marketed by producers.

(f) *Farm peanut acreage.* The 1957 farm peanut acreage determined in accordance with the marketing quota regulations which in general defines such acreage as the total acreage of peanuts on the farm which is picked or threshed.

(g) *Lot.* That quantity of peanuts for which one inspection memorandum is issued.

(h) *Marketing quota regulations.* The Allotment and Marketing Quota Regulations for peanuts of 1957 and Subsequent Crops issued by the Acting Secretary of Agriculture, including any amendments or supplements thereto (21 F. R. 9370).

(i) *Net weight.* That weight obtained by multiplying the gross weight by a percentage equal to 100 percent minus the sum of the percentages of (1) foreign material and (2) moisture in excess of 7 percent in the Southeastern and Southwestern areas or 8 percent in the Virginia-Carolina area.

(j) **Operator.** The person who is in charge of the supervision and conduct of the farming operations on the entire farm.

(k) **Producer.** A person who, as owner, landlord, tenant, or sharecropper, is entitled to share in the peanuts produced on the farm or in the proceeds thereof.

(l) **Quota peanuts.** Peanuts which are within the amount of the farm marketing quota determined pursuant to the marketing quota regulations.

(m) **Type.** The generally known types of peanuts (i. e. Runner, Spanish, Valencia, and Virginia) as defined in 7 CFR 729.804 of the "Determination With Respect to Supply of Valencia Type Peanuts for the 1957-58 Marketing Year," issued March 21, 1957, by the Acting Secretary of Agriculture (22 F. R. 1977), except that any peanuts which would otherwise be considered Virginia type but which contain less than 30 percent "fancy" size (peanuts riding a $\frac{3}{64} \times 3$ inch slotted screen) will be considered Runner type peanuts.

(n) **Within quota card.** Form MQ-76 (Peanuts) 1957, 1957 Peanut Within Quota Marketing Card, or Form MQ-76-VC (Peanuts) 1957, Within Quota Marketing Card, issued pursuant to the marketing quota regulations.

§ 446.905 **Support prices.** The national average support price is \$221.40 per ton. The support prices and loan rates by types, and the premiums and discounts with respect thereto, are contained in § 446.906.

§ 446.906 **Price support schedule.** The following price support schedule applies to farmers stock peanuts in bulk or in bags, net weight basis, eligible for loan under the terms of the peanut price support program.

(a) **Average support prices.** The support price by type per average ton of 1957 crop quota peanuts will be:

	Per ton
Virginia	\$236.80
Runner type	206.70
Southeastern Spanish type	224.38
Southwestern Spanish type	218.33
Valencia type suitable for cleaning and roasting	226.95

(b) **Calculation of support prices.** The support price per ton for each type of peanuts shall be calculated on the basis of the following rates, premiums and discounts:

(1) **Kernel values per net ton excluding loose shelled kernels.** (i) Price for each percent of sound mature kernels:

Virginia type	\$3.19
Runner type	3.06
Southeastern Spanish type	3.18
Southwestern Spanish type	3.14
Valencia type:	

A. Southwestern area:

(aa) Suitable for cleaning and roasting

(bb) Not suitable for cleaning and roasting

B. Areas other than Southwest

(ii) Price for each percent of damaged and other kernels: \$1.40.

(iii) Premiums for Virginia type extra large kernels; for each one percent above 15 percent: \$1.25.

(2) **Value of loose shelled kernels per pound.** \$0.07.

(3) **Damaged kernel discount.** For all types of peanuts the discount per ton for damaged kernels riding the screen prescribed for determination of sound mature kernels for that type shall be as follows:

Peanuts containing damaged kernels of:	Discount
1 percent	None
2 percent	\$3.50
3 percent	7.00
4 percent	12.25
5 percent	19.25
6 percent	26.25
7 percent	36.75
8 percent and over	(1)

(1) Not eligible for price support.

(4) **Foreign material discount.** The discount for each full one percent foreign material in excess of 4 percent and not over 10 percent shall be \$1.00 per ton. Peanuts with more than 10 percent foreign material shall not be eligible for price support.

(5) **Florispans peanuts.** Florispans peanuts will be supported at a price equivalent to 65 percent of the support price for Runner type peanuts of the same grade.

(c) **Definitions.** (1) **Sound mature kernels.** The term "sound mature kernels" means kernels which are free from damage as defined in the U. S. Standards for farmers stock (i) white Spanish peanuts in the case of Spanish and Valencia peanuts, and (ii) Runner and Virginia peanuts, respectively, in the case of Runner and Virginia peanuts; and which will not pass through a screen having:

(a) $\frac{1}{64} \times \frac{3}{4}$ inch perforations in the case of Spanish and Valencia peanuts.

(b) $\frac{1}{64} \times 1$ inch perforations in the case of Virginia peanuts.

(c) $\frac{1}{64} \times \frac{3}{4}$ inch perforations in the case of Runner peanuts.

(2) **Extra large kernels.** "Extra large kernels" means shelled Virginia type peanuts which will not pass through a screen having $21.5/64 \times 1$ inch openings and which are "whole" and free from "minor defects" and "damage," as such terms are defined in the U. S. Standards for Shelled Virginia Type Peanuts (effective July 31, 1956).

(3) **Virginia type peanuts.** Virginia type peanuts, to receive price support as Virginia type, must contain 30 percent or more "Fancy" size (i. e., peanuts riding a $\frac{3}{64} \times 3$ inch slotted screen). Virginia type peanuts containing less than 30 percent "Fancy" size will be supported as though they were Runner type.

(4) **Valencia type peanuts suitable for cleaning and roasting.** Valencia type peanuts suitable for cleaning and roasting shall be those containing less than 25 percent discoloration and damage caused by cracked and broken shells.

(d) **Producer advance value.** The support price of eligible peanuts less an amount equivalent to \$9.00 per net weight ton to provide funds to pay inspection, storage, and part of the association's expenses in connection with the loan program.

§ 446.907 **Eligible peanuts.** Peanuts eligible for price support are 1957 crop farmers stock peanuts, other than those produced in violation of a restrictive lease on Federally owned land, which:

(a) Contain not more than 10 percent foreign material and not more than 7 percent damaged kernels;

(b) Contain moisture not in excess of 10 percent when placed under a farm storage loan or not in excess of the maximum moisture limitation specified by the association for peanuts received into a warehouse as collateral for a loan to the association; except that peanuts which have been mechanically dried shall contain at least 5 percent moisture when placed under a farm storage loan or when received in the warehouse and shall not show evidence of damage from the drying process, as indicated by hardness, off flavor, or excessive slipage of the skin;

(c) Are identified by a within quota marketing card in accordance with the marketing quota regulations;

(d) Are produced by an eligible producer on a farm on which the 1957 farm peanut acreage does not exceed the larger of the 1957 farm allotment or one acre, or for which a within quota marketing card is issued to the producer or operator upon the execution of Form MQ-92—Peanuts (5-9-57) Agreement by Operator of Overplanted Farm, in which he agrees that the farm peanut acreage will not exceed the larger of the farm allotment or one acre, and if such undertaking is breached to pay liquidated damages to CCC, determined in accordance with the terms of such agreement, and to pay any marketing penalties determined to be due the Secretary of Agriculture.

(1) The liquidated damages payable to CCC under such agreement may be waived to such extent as the Executive Vice President of CCC or his designated representative may determine appropriate in any case where he determines that the breach of such agreement was unintentional and occurred despite a bona fide effort by the operator and other producers on the farm to comply with the agreement and that the amount by which the farm peanut acreage exceeded the acreage specified in the agreement was so small, in relation to the acreage so specified, that it did not materially impair CCC's price support operations.

(2) Copies of Form MQ-92—Peanuts (5-9-57) may be obtained from the county committee. The county committee may decline to execute such Form MQ-92—Peanuts in any case where it finds reasonable grounds to believe that such agreement will be used as a device to evade the requirements of this program or the collection of marketing penalty.

(e) Are free and clear of all liens and encumbrances, including landlord's liens, or if liens or encumbrances exist on the peanuts, acceptable waivers are obtained: *Provided, however,* That peanuts under loan to an association may be subject to liens for warehouse charges specified in the warehouse contract, CCC Peanut Form 28 (1957).

(f) If such peanuts are bagged, the bags are new or thoroughly cleaned used bags which are made of material, other than mesh or net, weighing not less than $7\frac{1}{2}$ ounces nor more than 10

ounces per square yard and containing no sisal fibers, are free from holes, and are finished at the top with either the selvage edge of the material, binding, or a hem. Such bags shall be of uniform size with approximately 2-bushel capacity in the Southeast and Southwest areas and 4-bushel capacity in the Virginia-Carolina area.

§ 446.908 *Eligible producer.* A producer will be eligible for price support with respect to all eligible peanuts in which the beneficial interest is in him and has always been in him, or in him and a former producer whom he succeeded before the peanuts were harvested. To meet the requirements of succession to a former producer, the rights, responsibilities, and interest of the former producer with respect to the farming unit on which the peanuts are produced shall have been substantially assumed by the producer claiming succession. Mere purchase of the crop prior to harvest, without acquisition of any additional interest in the farming unit, shall not constitute succession.

§ 446.909 *Determination of type and grade.* Federal or Federal-State inspectors shall be determine the type and grade of each lot of peanuts:

(a) To be mortgaged as security for a farm storage loan, such type and grade to be determined on the basis of a sample taken by the county committee before the loan is made;

(b) When delivered in settlement of a farm storage loan;

(c) When received in a warehouse under contract CCC Peanut Form 28 (1957);

(d) When delivered to CCC from a warehouse under contract CCC Peanut Form 28 (1957);

The grade shall be expressed in terms of the percentages of sound mature kernels, damaged kernels, loose shelled kernels, other kernels, foreign material, moisture, and extra large kernels in Virginia type peanuts.

§ 446.910 *Approved lending agencies.* An approved lending agency shall be a bank or other financial organization with which CCC has entered into a lending agency agreement on CCC Form 322 in the case of producer farm storage loans and on CCC Peanut Form 50 (1957) in the case of loans to peanut associations.

§ 446.911 *Service charges and fees.* (a) On the quantity of peanuts placed under a farm storage loan the producer shall pay an initial service charge in the amount of 30 cents per ton, except that the minimum charge shall be \$3.00. An additional service charge at the rate of 30 cents per ton shall be paid on any additional quantity delivered to and accepted by CCC. No refund of service charges will be made. State committees may, at their option, require a deposit on farm storage loans, such deposit to be applied against the service charge when the loan is granted.

(b) The producer will pay the fee for inspecting peanuts placed under a farm storage loan or a loan to the association. CCC will pay the fee for inspecting loan collateral peanuts acquired by CCC.

(c) The association will pay the warehouse charges on peanuts redeemed. CCC will pay warehouse charges with respect to loan collateral peanuts acquired by CCC, except that the producer will be required to defray storage charges for a period of eight months.

(d) The service charges and fees specified in this section will be computed on gross weights.

§ 446.912 *Interest rate.* Loans shall bear interest at the rate of 3½ percent per annum from the date of disbursement of the loan, except that (a) where there is a default in satisfaction of a farm storage loan the deficiency shall bear interest at the rate of 6 percent per annum from the date of default, and (b) where there has been a fraudulent representation by the producer in the loan documents or in obtaining the loan, the loan shall bear interest at the rate of 6 percent per annum from the date of disbursement of the loan.

§ 446.913 *Personal liability of the borrower.* The making of any fraudulent representation in obtaining a loan or the conversion or unlawful disposition of any portion of the peanuts by the borrower may render such borrower subject to criminal prosecution under Federal law and shall render him personally liable for the amount received (plus interest) and for any resulting expense incurred by any holder of the note.

§ 446.914 *Payments and collections; amounts not exceeding \$3.* To avoid administrative costs of making small payments and handling small accounts, amounts of \$3 or less due a producer will be paid only upon request; and a deficiency of \$3 or less, including interest, may be disregarded by a producer unless demand for payment is made by CCC.

§ 446.915 *Set-offs.* (a) If a producer who obtains a loan is indebted to CCC on any accrued obligation, or if any installment or installments on any loan made available by CCC on farm-storage facilities or mobile drying equipment are past due, or are payable under the provisions of the note evidencing such loan out of the proceeds of the price support loan, such producer must designate CCC or the lending agency holding such note as the payee of the proceeds of the price support loan to the extent of such indebtedness or installments, plus interest if any, but not to exceed that portion of the proceeds remaining after deduction of loan service charges and amounts due prior lienholders. If the producer is indebted to any other agency of the United States and such indebtedness is listed on the county debt register, he must designate such agency as the payee of the proceeds as provided in this section. Indebtedness owing to CCC or to a lending agency as provided in this section shall be given first consideration after claims of prior lienholders.

(b) Associations shall deduct from their advance payments to producers, and remit in accordance with procedure approved by CSS, the amount of indebtedness as shown on the marketing cards presented at the time the peanuts are received, plus interest.

(c) Compliance with the provisions of this section shall not constitute a waiver of any right of the producer to contest the justness of the indebtedness involved either by administrative appeal or by legal action.

§ 446.916 *Purchase of notes.* (a) Notes, evidencing farm storage loans, held by lending agencies will be purchased by CCC in accordance with the terms of the lending agency agreement. The purchase price will be the principal sums remaining due on such notes plus interest computed according to the lending agency agreement. Lending agencies shall submit notes and reports to the county office where the loan documents were approved.

(b) Approved lending agencies making loans to associations may assign all or part of such loans to CCC and obtain payment for the amounts assigned by means of sight drafts drawn on CCC payable through a designated Federal Reserve Bank or Branch Bank. Lending agencies may act as agents for CCC in servicing the loan or portion thereof assigned to CCC.

§ 446.917 *Foreclosure.* If the loan is not satisfied upon maturity by payment, or by delivery of the peanuts from farm storage, the holder of the note is authorized to remove the peanuts and sell them. Any sum due the borrower as a result of the sale of the peanuts shall be payable only to the borrower without right of assignment.

§ 446.918 *Farm storage loan provisions.* Loans will be available to eligible producers on eligible peanuts in approved farm storage. Producers who want to obtain such loans will apply at the county office where the farm program records are kept, and that office will arrange for inspection of the storage facilities and for inspection, sampling, and grading of the peanuts. After it is determined that the producer, the peanuts, and the storage facilities meet the requirements therefor, the county office will determine the amount of the loan and prepare and approve the loan documents. Copies of all such documents will be kept in the county office. After the loan documents are approved, the producer may obtain the loan from any approved lending agency or from CCC. The producer may deliver the peanuts to CCC upon maturity of the loan, or may redeem the peanuts at any time prior to such delivery by repaying the amount of the loan plus interest and charges.

(a) *Approved farm storage.* Approved farm storage shall consist of storage structures located on or off the farm (excluding public warehouses), which are determined by the county office to be so located and of such substantial and permanent construction as to afford safe storage of peanuts. Such structures shall be dry and well-ventilated.

(b) *Method of determining quantity.* (1) *Peanuts placed under loan.* The net weight of the peanuts to be placed under a farm storage loan will be calculated from an estimated gross weight determined as provided in this section.

A minimum reduction of 5 percent in such estimated gross weight is required in an effort to avoid underdelivery at maturity in the event the loan is not repaid.

(i) *Peanuts stored in bulk.* The estimated gross weight of bulk peanuts may be determined either by weight or by measurement. When the quantity is determined by measurement, the gross weight shall be computed on the number of pounds per cubic foot for the type of peanuts indicated below (such number of pounds has been reduced by approximately 5 percent for the estimated actual weight):

Type:	Weight per cu. ft. (pounds)
Runner	17.0
Spanish	19.0
Valencia	17.0
Virginia	12.0

If the estimated gross weight of bulk peanuts is determined by actual weight instead of by measurement, deduct from such weight an amount specified by the State committee which amount shall be not less than 5 percent of such gross weight.

(ii) *Peanuts stored in bags.* The estimated gross weight of bagged peanuts to be placed under loan shall be determined by weighing all of the bags, or by weighing a sufficient number of bags to estimate the gross weight of all the bags and then by deducting an amount not less than 5 percent of such gross weight specified by the State committee.

(2) *Peanuts delivered to CCC at maturity.* The net weight of peanuts delivered to CCC upon maturity of the loan shall be calculated from the gross weight determined by actual weight at the time of delivery.

(c) *Forms.* Loan forms shall consist of Commodity Loan Form A, Producer's Note and Supplemental Loan Agreement, secured by Commodity Loan Form AA, Commodity Chattel Mortgage, and such other forms and documents as may be required by CCC. Commodity Loan Forms A and AA must have State and documentary revenue stamps affixed thereto where required by law. Loan documents executed by an administrator, executor, or trustee, will be acceptable only where legally valid.

(d) *Disbursement.* Disbursement of farm storage loans will be made by approved lending agencies or by sight drafts drawn on CCC by the county office. Disbursement, regardless of where made, shall not be made after February 15, 1958, unless authorized by the Executive Vice President, CCC. Payment in cash, credit to the producer's account, or the drawing of a check or draft shall constitute disbursement. The date of such draft, check, credit, or cash payment shall be considered as the date of disbursement of the funds. The producer shall not present the loan documents for disbursement unless the peanuts are in existence and in good condition. If the peanuts are not in existence or not in good condition at the time of disbursement, the total amount disbursed under the loan shall be promptly refunded by the producer. In the event the amount disbursed ex-

ceeds the amount authorized, the producer shall be personally liable for repayment of the amount of such excess.

(e) *Insurance.* CCC will not require the borrower to insure the peanuts placed under a farm-storage loan. However, if a borrower does insure such peanuts and an insurance indemnity is paid thereon, the insurance proceeds must be paid to CCC to the extent of its interest, after first satisfying the borrower's equity in the peanuts involved in the loss.

(f) *Safeguarding the peanuts.* The producer who obtains a farm storage loan is obligated to maintain the storage structure in good repair and to keep the peanuts in storage and in good condition until the loan is liquidated.

(g) *Loss or damage to the peanuts under farm storage loan.* (1) The producer is responsible for any loss in grade and for any loss in weight, except that CCC will assume uninsured physical loss or damage occurring after disbursement of the loan funds without fault, negligence or conversion on the part of the producer, or of any other person having control of a storage structure not located on the farm, provided such loss or damage resulted solely from an external cause other than insect infestation, vermin or rodents, and the producer gave the county committee immediate notice confirmed in writing of such loss or damage. Losses under the provisions of this subsection will be assumed by CCC to the extent of the settlement value of the quantity destroyed or in an amount equivalent to the extent of the damage, as determined by CCC, provided there has been no fraudulent misrepresentation made by the producer in the loan documents or in obtaining the loan.

(2) No physical loss or damage occurring prior to disbursement of the loan funds will be assumed by CCC.

(h) *Redemption of the peanuts under farm storage loan.* A producer may, at any time prior to the date on which the peanuts are delivered to or removed by CCC pursuant to paragraph (i) of this section, redeem the peanuts remaining under farm storage loan by paying to the holder of the note and supplemental loan agreement the principal amount thereof, plus charges and accrued interest. All charges in connection with the collection of the note shall be paid by the producer. Upon presentation of evidence of payment, the county office manager shall arrange for the release of the chattel mortgage. The producer may arrange for partial release of the peanuts prior to maturity after making payment to the holder of the note for the quantity of peanuts to be released, plus charges and accrued interest; however, if the quantity of peanuts contained in the bin or crib and covered by the chattel mortgage is greater than the quantity with respect to which the amount of the loan was computed, all or part of such excess may be removed without payment of the loan, but only upon prior approval of the county office. A producer who wishes to liquidate all or part of his loan by contracting for the sale of the peanuts must obtain written prior approval of the county committee

on Commodity Loan Form 12 to remove the peanuts from storage when the proceeds of the sale are needed to repay all or any part of the loan. Any such approval shall be subject to the terms and conditions in Commodity Loan Form 12, copies of which may be obtained by producers or prospective purchasers at the office of the county committee.

(i) *Settlement of farm storage loans.*

(1) The producer is required to pay off the loan on or before maturity or to deliver the peanuts in accordance with instructions issued by the county office. If the producer fails to deliver mortgaged peanuts as instructed, he will be responsible for all costs of removal incurred by the holder of the note.

(2) If, either before or after maturity, the peanuts are in danger of going out of condition, the producer shall so notify the county committee and confirm such notice in writing. If the county committee determines that the peanuts are in danger of going out of condition and that they cannot be satisfactorily conditioned by the producer, and delivery cannot be accepted within a reasonable length of time, the county office shall arrange for an inspection and grade determination to be made at the expense of CCC. When delivery is completed, settlement shall be made on the basis of such grade or the grade determined at the time of delivery, whichever is higher.

(3) In the event the farm is sold, the producer dies, or there is a change of tenancy, the peanuts may be delivered before the maturity date of the loan, upon prior approval by the county committee. Peanuts also may be delivered before the maturity date of the loan for other reasons upon authorization by the Executive Vice President, CCC.

(4) Settlement for peanuts delivered to CCC will be made, subject to the provisions of the Producers Note and Supplemental Loan Agreement, at the applicable support price, plus an allowance for shrinkage during the storage period of four-tenths of a cent (\$.004) per net weight pound delivered, for the type, grade (except as provided above for peanuts going out of condition), and quantity of the peanuts delivered and accepted by the county committee: *Provided, however,* That the settlement value for the peanuts delivered to CCC which do not meet the eligibility requirements with respect to moisture, damage or foreign material shall be determined at the support price for the grade placed under loan, less the difference, if any, at the time of delivery, between the market price for the grade placed under loan and the market price of the peanuts delivered, as determined by CCC: *Provided, further,* That if the value of the peanuts delivered (including the shrinkage allowance) is less than the amount of the loan with respect to such peanuts, and CCC determines that the deficiency resulted from abnormal climatic conditions which prevailed throughout the area or locality in which the peanuts were produced and which caused the development of progressive damage in the peanuts during storage, that such damage would not normally be detected or appraised accurately by a reasonably

prudent person in control of the storage structure, and that the producer has complied with the other provisions of the Producer's Note and Supplemental Loan Agreement and the Commodity Chattel Mortgage, (i) if the net weight of all peanuts delivered, plus the net weight of the peanuts redeemed prior to such delivery, equals or exceeds 97 percent of the net weight of the peanuts on which the loan was made, CCC may relieve the producer from liability for the deficiency, or (ii) if the net weight of the peanuts delivered, plus the net weight of peanuts redeemed prior to such delivery, is less than 97 percent of the net weight of the peanuts on which the loan was made, CCC may relieve the producer from liability for that part of the deficiency which exceeds an amount equal to the loan value per pound of the peanuts under loan multiplied by the number of pounds by which the net weight of the peanuts delivered, plus the net weight of peanuts redeemed prior to such delivery, is less than 97 percent of the net weight of the peanuts on which the loan was made.

Delivery of peanuts in bulk will be accepted only from the structure(s) in which the peanuts under loan are stored. In the case of peanuts stored in bags, only the identical bags under loan may be delivered.

§ 446.919 Loans to association. An association which desires to receive, arrange for storage and handle peanuts for and on behalf of eligible producers and for and on behalf of eligible producers represented by bona fide producer marketing cooperatives which meet the criteria established for an association in § 446.904 (a), which are approved by CCC, and which are operating under an agreement with the association, may obtain a loan on all eligible peanuts handled on behalf of eligible producers, stored in approved warehouse, and represented by warehouse receipts in a form prescribed by CCC. Such loan will be made pursuant to the terms of the Association Loan and Handling Agreement, CCC Peanut Form 27 (1957), between the association and CCC, and shall be evidenced by a blanket note in form prescribed by CCC. The association may receive eligible peanuts from eligible producers who are not members of the association and use such peanuts as loan collateral. Approved storage for peanuts under loan to an association will be warehouses approved pursuant to instructions issued by CCC and operated under contract with the association or with CCC. The names and locations of such warehouses may be obtained from the association or the county office. The association may obtain the loan from an approved lending agency or from CCC. Each producer from whom the association received peanuts must present his within quota card at the time he delivers the peanuts for storage. For each lot of peanuts received, the association shall make an advance payment to the producer in the amount of the producer advance value for such peanuts. At any time prior to sale by CCC the association may redeem peanuts for sale in accord-

ance with policies established by CCC. The association shall distribute to the producers from whom it receives peanuts all proceeds from the handling of such peanuts under loan, less operating expenses, unless other disposition of such proceeds is approved by CCC.

§ 446.920 Purchase of No. 2 shelled peanuts. Subject to the terms and conditions of §§ 446.920 through 446.932, CCC will purchase from shellers No. 2 shelled peanuts, other than those produced in a seed shelling operation, (hereinafter referred to as "No. 2 peanuts") offered to the associations listed below, each of which is designated to accept No. 2 peanuts on behalf of CCC in the area specified. Shellers located in any such area who are interested in selling No. 2 peanuts to CCC should so notify the association for the area in which the sheller is located within 60 days after the date this subpart is published in the FEDERAL REGISTER, or such later date as may be specified by CCC. Purchases will be made only from those shellers who have indicated such intention within the time prescribed.

Southeastern area----- GFA Peanut Association, Camilla, Ga.
Southwestern area----- Southwestern Peanut Growers' Association, Gorman, Tex.
Virginia-Carolina area... Peanut Growers Cooperative Marketing Association, Franklin, Va.

§ 446.921 Eligibility requirements for No. 2 peanuts. No. 2 peanuts of any type offered to CCC by shellers must:

(a) Meet the standards for U. S. No. 2 shelled peanuts of such type (as specified in the U. S. Standards issued by the U. S. Department of Agriculture, Agricultural Marketing Service, effective July 31, 1956): *Provided, however,* That such peanuts shall contain 7 percent or less damaged kernels and kernels with minor defects, 9 percent or less moisture, 2 percent or less foreign material, and 10 percent or less sound peanuts and portions of peanuts which will pass through the screen prescribed for such type.

(b) Be 1957 crop peanuts, milled in the shellers own plant and free and clear of all liens and encumbrances;

(c) Not exceed the quantity of No. 2 peanuts which CCC determines that the sheller could reasonably produce from eligible 1957 crop farmers stock peanuts purchased by the sheller direct from producers or from an association prior to the end of the period in which offers from shellers will be accepted by CCC. The type and grade of all such farmers stock peanuts must have been determined by Federal or Federal-State inspectors.

§ 446.922 Sheller's agreement to service producers and the association. Each sheller who notifies the association, pursuant to § 446.920, of his intention to offer No. 2 peanuts to CCC shall, upon request, (a) inform a producer of the amount he could obtain for his peanuts under a price support loan to such association and also inform the producer where he may deliver his peanuts to such association, and (b) make available to

such association warehouse space for storage of loan peanuts under contract CCC Peanut Form 28 (1957), except that such association may waive such requirement if the sheller demonstrates to the association that he needs the space for his customary business operations.

§ 446.923 Period in which offers will be accepted. (a) A sheller may offer, in writing, No. 2 peanuts to CCC from October 1, 1957, through June 30, 1958, unless a later date is approved in writing by CCC: *Provided, however,* That CCC, may at any time prior to June 30, 1958, or such later date as is approved by CCC, terminate its obligation to accept any offers of No. 2 peanuts. The date the offer is received by the association shall be deemed to be the date of the offer. The offer, the provisions of §§ 446.920 through 446.932, and the written acceptance by the association shall constitute the contract between the sheller and CCC.

(b) At any time prior to the end of the period during which offers will be accepted, the association may send the sheller a written request for information with respect to the quantity of No. 2 peanuts in the sheller's inventory which are eligible for sale to CCC, and the sheller shall furnish such information within five days after the date of the request. The association may, by written notice dated not more than ten days after receipt of such information from the sheller, request the sheller to offer a specified quantity of No. 2 peanuts, which quantity may be all or any part, but not less than 25,000 pounds, of his inventory of No. 2 peanuts which are eligible for sale to CCC. If he does not offer such quantity of No. 2 peanuts within five days after the date of the request for an offer, CCC shall not be obligated to buy any No. 2 peanuts from such sheller for a period of 60 days after the date of such request.

(c) If the sheller fails to furnish, within the 5-day period specified above, information with respect to the quantity of peanuts eligible for sale to CCC, CCC shall not be obligated thereafter to purchase any peanuts from such sheller.

§ 446.924 Minimum quantity and terms of offer. (a) The minimum quantity of No. 2 peanuts which may be offered at any time is 25,000 pounds. All No. 2 peanuts offered at one time for delivery at one location shall be included in one offer.

(b) Each offer shall be made in the manner prescribed by CCC and shall contain the sheller's certification and agreement that (1) the offer is made pursuant to the terms and conditions of all the provisions of this subpart relating to No. 2 peanuts, (2) the peanuts meet the eligibility requirements in § 446.921, (3) the sheller has fulfilled all the obligations of this subpart relating to No. 2 peanuts which are required to be fulfilled prior to the submission of an offer, and (4) the sheller will carry out all of the obligations which remain to be performed after the offer is made.

§ 446.925 Inspecting, grading, sealing, and rejecting No. 2 peanuts offered. (a) The type and grade of the No. 2 peanuts

purchased by CCC pursuant to each offer shall be determined by Federal or Federal-State inspectors and evidenced by inspection certificates issued by such inspectors. The sheller shall pay the cost of inspection and grading.

(b) The inspection data shall be used to determine (1) that the No. 2 peanuts meet the eligibility requirements with respect to grade and quantity specified in § 446.921, (2) the net weight and (3) the price which CCC will pay for No. 2 peanuts. Any determination of grade shall be subject to appeal in accordance with the inspection agency procedure.

(c) Each bag of No. 2 peanuts purchased by CCC shall be identified with a seal furnished by CCC and affixed in accordance with instructions issued by the Federal-State Inspection Service. CCC shall have the right to re-inspect the No. 2 peanuts at its own expense within 5 days after receipt at destination.

(d) CCC may reject all or any part of the quantity offered in one offer if any bag of peanuts included in such offer at the time of the original inspection or re-inspection does not meet the eligibility requirements in § 446.921.

§ 446.926 Net weight of No. 2 peanuts. The net weight of a lot of No. 2 peanuts shall be that weight obtained by multiplying the gross weight, including bags, by a percentage equal to 100 percent minus the percentage of foreign material shown on the inspection certificate issued pursuant to § 446.925. The gross weight shall be determined by actual weight, as prescribed by CCC.

§ 446.927 Delivery and passage of title. (a) (1) The sheller shall deliver No. 2 peanuts in accordance with instructions issued by the association. Such delivery instructions, except as provided in paragraph (b) of this section, shall be issued within 25 days after the date of the association's written acceptance of the offer.

(2) The sheller shall deliver all No. 2 peanuts in bags of uniform size, which are packed in accordance with good commercial practices. Such bags shall be made of new burlap of not less than 10-ounce weight material. Plain unprinted bags stenciled in accordance with instructions issued by CCC may be required in some instances.

(3) If the sheller fails to exercise rodent and insect control to the extent that the No. 2 peanuts offered to CCC are subject to seizure by the Food and Drug Administration, Department of Health, Education, and Welfare, such peanuts shall not be eligible for delivery to CCC, and any amount paid to the sheller therefor shall be refunded to CCC.

(4) If the sheller fails to deliver, as prescribed in the delivery instructions, a quantity of eligible No. 2 peanuts equal to at least 95 percent of the quantity offered by him and accepted by the association, or if he delivers a quantity of No. 2 peanuts in excess of the quantity eligible for delivery to CCC pursuant to § 446.921, he shall pay to CCC, as liquidated damages and not as a penalty, an amount equal to 2 cents per pound (1) for the quantity by which the quantity delivered is less than 95 percent of that

offered by the sheller and accepted by CCC, or (ii) for the quantity delivered which is in excess of the quantity eligible for delivery to CCC. Because of the difficulty in ascertaining the exact damages which CCC would suffer in either situation, CCC and the sheller agree that such liquidated damages constitute a reasonable estimate of the probable actual damages.

(b) Title to the No. 2 peanuts shall pass to CCC upon delivery from the sheller's plant, f. o. b. railroad cars or trucks at CCC's option; except that in the event the association does not issue delivery instructions within 25 days after the date of its written acceptance of the offer, title shall pass to CCC on the 30th day after the date of such written acceptance if the sheller, on or before such 30th day, places the No. 2 peanuts in identity preserved storage in a facility approved by CCC and delivers to CCC a storage certificate issued by an authorized inspector showing that the peanuts meet the quality requirements for eligibility. The gross weight of the peanuts for which the storage certificate is is-

sued shall be determined, after the expiration of the 25-day period within which the association was to have issued shipping instructions, by a weighmaster and on scales approved by CCC. The sheller shall not be responsible for deterioration or for uninsured loss or damage to the No. 2 peanuts after passage of title to CCC unless such deterioration or such uninsured loss or damages is due to his fault, negligence, or failure to exercise such care in storing or handling such peanuts as a reasonably prudent owner thereof would exercise. If such peanuts are insured such insurance shall inure to the benefit of CCC. If the sheller fails to issue the storage certificate, title shall not pass until the peanuts are delivered in accordance with instructions issued by the association, and CCC shall not pay any storage or handling charges with respect to such peanuts.

§ 446.928 Payment for No. 2 peanuts.

(a) CCC will purchase No. 2 peanuts at the following prices which are stated in terms of cents per pound net weight:

[Cents per pound]

No 2 peanuts containing damage and kernels with minor defect of—	Percentage of sound peanuts and portions of peanuts which will pass through the prescribed screen				
	6 percent	7 percent	8 percent	9 percent	10 percent
1 percent	15.10	14.85	14.60	14.10	13.60
2 percent	14.85	14.60	14.35	13.85	13.35
3 percent	14.60	14.35	14.10	13.60	13.10
4 percent	14.10	13.85	13.60	13.10	12.60
5 percent	13.20	12.95	12.70	12.20	11.70
6 percent	12.10	11.85	11.60	11.10	10.60
7 percent	10.10	9.85	9.60	9.10	8.60

The terms "damage," "minor defect" and "prescribed screen" have the meanings assigned in the United States Standards for shelled peanuts of the type being purchased by CCC, issued by the U. S. Department of Agriculture, Agricultural Marketing Service, effective July 31, 1956.

(b) With respect to No. 2 peanuts stored by the sheller and for which title has passed to CCC pursuant to § 446.927 (b), payment for warehouse charges shall be the sum of:

(1) \$0.50 per net weight ton for handling-in charges,

(2) \$0.50 per net weight ton for handling-out charges (delivery f. o. b. railroad cars or trucks at CCC's option), and

(3) \$1.00 per net weight ton per month, fractions of ton and month in proportion, for storage charges. The storage month shall begin on the date title passes to CCC and shall run from that date to, but not including, the corresponding day of the next calendar month. The storage period shall end on the day prior to the date the peanuts are delivered from storage.

(c) (1) Payment for the No. 2 peanuts and for any warehouse charges shall be made, at the time specified below, upon presentation to the association of a proper invoice and supporting documents prescribed by CCC.

(2) Payment for the No. 2 peanuts for which title passed to CCC upon delivery shall be made, after delivery, on the net weight determined from the gross weight obtained at the time the No. 2 peanuts are loaded out of the sheller's plant.

(3) Payment for the No. 2 peanuts for which title passed to CCC while the per-

nuts remained in the sheller's storage facilities, as provided in § 446.927 (b), shall be made after title has passed to CCC; but payment of the warehouse charges specified in paragraph (b) of this section for such No. 2 peanuts shall be made after the peanuts are delivered. The net weight on which the amount of payment for both the No. 2 peanuts and the warehouse charges is determined, shall be the net weight of the peanuts for which the storage certificate was issued.

§ 446.929 Records and reports. (a)

The records of the sheller shall at all times show (1) with respect to farmers stock peanuts purchased direct from producers and for which the type and grade were determined by Federal or Federal-State inspectors, the date and place received, the names and addresses of the producers, the types, grades, and the pounds of each such grade received from each producer, (2) the type, grade, and quantity of farmers stock peanuts purchased from an association, (3) the types, grades, and quantity of farmers stock peanuts purchased without inspection by Federal or Federal-State inspectors and (4) the types, grades, and quantity of No. 2 peanuts produced. The sheller shall keep such accounts and other records and shall furnish such information and reports relating to the No. 2 peanuts and the farmers stock

peanuts from which No. 2 peanuts were produced, as may be prescribed or requested by CCC. The association designated in § 446.920 for the area in which the sheller is located or CCC may examine and audit the accounts and records of the sheller and may require the sheller to make all of his records available at the main office at any time an audit is made. All books, accounts, and records shall be retained for a period of two years after the last No. 2 peanuts are delivered to CCC.

(b) The reporting and record keeping requirements contained in this subpart have been approved by, and subsequent reporting requirements will be subject to approval of the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

§ 446.930 *Assignment.* No contract, claim, or payment pursuant to any of the provisions of this subpart relating to No. 2 peanuts shall be assigned in whole or in part by the sheller without the prior written approval of CCC, and any such assignment shall be in such form as may be approved or prescribed by CCC.

§ 446.931 *Officials not to benefit.* No Member of or Delegate to the Congress of the United States shall be admitted to any share or part of any agreement or contract between the sheller and CCC pursuant to any of the provisions of this subpart relating to No. 2 peanuts, or to any benefit to arise therefrom, but this provision shall not be construed to extend to benefits arising from such agreement or contract if accruing to a corporation or a producer in his capacity of producer.

§ 446.932 *Contingent fees.* The sheller shall not employ any person to solicit or secure any contract pursuant to any of the provisions of this subpart relating to No. 2 peanuts upon any stipulation for a commission, percentage, brokerage, or contingent fee. Breach of this provision shall give CCC the right to annul the contract, or, in its discretion, to deduct from any amount due the sheller the amount of such commission, percentage, brokerage, or contingent fee.

Issued this 12th day of August 1957.

[SEAL] CLARENCE L. MILLER,
Acting Executive Vice President,
Commodity Credit Corporation.

[F. R. Doc. 57-6705; Filed, Aug. 14, 1957;
8:45 a. m.]

TITLE 7—AGRICULTURE

Chapter IV—Federal Crop Insurance Corporation

FEDERAL CROP INSURANCE

REGULATIONS FOR THE 1958 AND SUCCEEDING CROP YEARS

By virtue of the authority contained in the Federal Crop Insurance Act, as amended, these regulations are hereby published and prescribed to be in full force and effect and shall apply in 1958 and succeeding crop years to all continuous barley, dry edible bean, corn, cotton, flax, soybean, tobacco, and wheat

insurance contracts and, in addition, to all multiple crop insurance contracts of the type under which the insured may select the crops to be insured. *Provided, however,* That these regulations shall not apply until beginning with the 1959 crop year to barley, wheat, or multiple crop insurance contracts of the aforementioned type in counties which will be designated by appendixes to Part 424—Barley Crop Insurance, Subpart—Regulations for the 1956 and Succeeding Crop Years, as amended (19 F. R. 9315; 20 F. R. 7637, 10023; 21 F. R. 1004, 5164, 7323); Part 418—Wheat Crop Insurance, Subpart—Regulations for the 1957 and Succeeding Crop Years, as amended (20 F. R. 10015; 21 F. R. 5164, 9397); and Part 420—Multiple Crop Insurance, Subpart—Regulations for the 1956 and Succeeding Crop Years, as amended (20 F. R. 3526, 5765, 8071; 21 F. R. 49, 1381, 4473, 5883, 6858, 7314, 7787, 8534, 9397; 22 F. R. 2076, 2796, 3284, 5855), which regulations shall remain in full force and effect as to such counties through the 1958 crop year. These regulations shall not supersede Part 420 except with respect to contracts issued under § 420.6a.

These regulations, except as specified above, replace, for crops for the 1958 and succeeding crop years, the following regulations: (1) Part 415—Flax Crop Insurance, Subpart—Regulations for the 1953 and Succeeding Crops Years, as amended (17 F. R. 8416; 18 F. R. 3631, 6988; 19 F. R. 5602; 20 F. R. 5054; 21 F. R. 7312); (2) Part 416—Corn Crop Insurance, Subpart—Regulations for the 1953 and Succeeding Crop Years, as amended (17 F. R. 10531; 18 F. R. 3632, 6989; 19 F. R. 5602; 20 F. R. 5255; 21 F. R. 7312, 8533); (3) Part 417—Tobacco Crop Insurance, Subpart—Regulations for the 1954 and Succeeding Crop Years, as amended (18 F. R. 5703; 19 F. R. 469, 5602; 20 F. R. 5625, 7983; 21 F. R. 1002, 2123, 7312, 8533); (4) Part 418—Wheat Crop Insurance, Subpart—Regulations for the 1957 and Succeeding Crop Years, as amended (20 F. R. 10015; 21 F. R. 5164, 9397); (5) Part 419—Cotton Crop Insurance, Subpart—Regulations for the 1956 and Succeeding Crop Years, as amended (20 F. R. 7984, 10020; 21 F. R. 7314); (6) ~~§ 420.6a of~~ Part 420—Multiple Crop Insurance, Subpart—Regulations for the 1956 and Succeeding Crop Years (20 F. R. 5765); (7) Part 421—Dry Edible Bean Crop Insurance, Subpart—Regulations for the 1956 and Succeeding Crop Years (20 F. R. 10020; 21 F. R. 7323); (8) Part 423—Soybean Crop Insurance, Subpart—Regulations for the 1955 and Succeeding Crop Years, as amended (19 F. R. 7473, 9365; 20 F. R. 1068, 5626; 21 F. R. 7323) and, (9) Part 424—Barley Crop Insurance, Subpart—Regulations for the 1956 and Succeeding Crop Years, as amended (19 F. R. 9315; 20 F. R. 7637, 10023; 21 F. R. 1004, 5164, 7323).

PART 401—FEDERAL CROP INSURANCE

SUBPART—REGULATIONS FOR THE 1958 AND SUCCEEDING CROP YEARS

Sec.
401.1 Availability of federal crop insurance.
401.2 Insurable crops, coverages, premium rates, and fixed price.

Sec.
401.3 Application for insurance.
401.4 Public notice of indemnities paid.
401.5 Creditors.
401.6 Co-insurance.
401.7 The contract.
401.11 The policy.
401.17 The barley endorsement.
401.18 The dry edible bean endorsement.
401.19 The corn endorsement.
401.20 The cotton endorsement.
401.21 The flax endorsement.
401.22 The soybean endorsement.
401.23 The tobacco endorsement.
401.24 The wheat endorsement.

AUTHORITY: §§ 401.1 to 401.24 issued under secs. 506, 516, 52 Stat. 73, as amended, 770 as amended; 7 U. S. C. 1506, 1516. Interpret or apply secs. 507-509, 52 Stat. 73-75, as amended; 7 U. S. C. 1507-1509.

§ 401.1 *Availability of Federal crop insurance.* (a) Insurance may be offered under the provisions of this subpart on the crops and in counties, within the limit when considered with insurance provided under other regulations of the Corporation, of the number prescribed by the Federal Crop Insurance Act, as amended. The crops and counties shall be designated by the Manager of the Corporation from a list of counties and the crops which may be insured in each county approved by the Board of Directors of the Corporation. Before insurance is offered in any county there shall be published by appendix to this section the name of the county and the crops on which insurance will be offered.

(b) Insurance will not be provided in a county for any crop year unless the minimum participation requirement established by the Federal Crop Insurance Act, as amended, is met. When determining whether the minimum participation requirement is met an insurance unit shall be counted as one farm provided, for this purpose only, the number of insurance units under a contract shall be computed on the basis that each insurance contract covers but one crop regardless of the number of endorsements.

§ 401.2 *Insurable crops, coverages, premium rates, and fixed price.* The Manager shall establish coverages, premium rates, and if applicable fixed prices used to evaluate production, for each crop which is insurable in a county, which shall be shown together with the crops which are insurable in the county, on the county actuarial table on file in the county office. Such coverages, premium rates and fixed prices may be revised from year to year.

§ 401.3 *Application for insurance.* (a) Application for insurance on a form prescribed by the Corporation may be made by any person to cover his interest in an insurable crop. The application shall be submitted to the county office on or before the applicable closing date set forth below, preceding the first crop year for which insurance is to be in effect, except that (1) in counties in the States of Idaho, Oregon and Washington in which barley is an insurable crop, an application for insurance on barley may be filed until the March 31 following the closing date provided that in such cases winter barley will not be insured for the first barley crop year of the contract, and (2) in counties in Montana and South Da-

kota in which wheat is an insurable crop with an August 31 closing date, an application for insurance on wheat may be filed until the March 31 following the closing date provided that in such cases winter wheat will not be insured for the first wheat crop year of the contract.

California.....	Aug. 31
Idaho, Oregon and Washington.....	Oct. 31
All other States.....	Mar. 31

BARLEY

All States.....	May 15
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DRY EDIBLE BEANS

All States.....	Apr. 30
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CORN

Texas:	
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Jackson, Victoria, Goliad, Bee, Live Oak, Atascosa, Medina, Uvalde and Kinney Counties, and all Texas counties lying south thereof.....	Feb. 28
All other Texas counties.....	Mar. 31
All other States.....	Do.

COTTON

All States.....	Do.
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FLAX

All States.....	Apr. 30
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SOYBEANS

All States.....	Apr. 30
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TOBACCO

Type of Tobacco:	
11 (a), 11 (b), 12, 21, 22, 23, 31, 32, 35, 36 and 37.....	Do.
13 and 14.....	Mar. 31
41, 51, 52, 54 and 55.....	May 31

WHEAT

California, Colorado, Kansas, Nebraska, New Mexico, Oklahoma, Texas and Wyoming.....	Aug. 31
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Idaho:	
Idaho County and all Idaho counties lying north thereof.....	Oct. 31
All other Idaho counties.....	Sept. 15
Minnesota and North Dakota.....	Mar. 31
Montana:	

Daniels, Dawson, McCone, Phillips, Richland, Roosevelt, Sheridan and Valley Counties.....	Do.
All other Montana counties.....	Aug. 31
Oregon and Washington.....	Oct. 31
South Dakota:	
Bennett, Jones, Lyman, Meade, Mallette and Tripp Counties.....	Aug. 31
All other South Dakota counties.....	Mar. 31
All other States.....	Sept. 15

(b) In counties where cotton or tobacco are insurable crops application for insurance may be made by any owner-operator or tenant-operator on a form prescribed by the Corporation to cover the interest which a share tenant or sharecropper has in a cotton or tobacco crop in which such farm operator has an interest. The interest covered shall be that interest which the share tenant or sharecropper has at the time of planting and any interest allocated to such person after planting pursuant to an understanding existing at the time of planting. As to such share tenant's or sharecropper's interest, notwithstanding any provision of the contract to the contrary, (1) the applicant shall be considered the insured and the interest insured shall be considered as his interest, (2) premiums (except for reductions based on good experience) and losses shall be computed in the same manner and under the same terms and conditions as if the share tenant or sharecropper had signed (and the Corporation accepted) an individual application for insurance, (3) the applicant shall designate on his annual acre-

age report the name of the share tenant or sharecropper and the acreage allocated to him; (4) transfers of interests in insured acreage made before the beginning of harvest and the time of loss will be recognized when indemnities are computed, (5) any indemnity shall be for the benefit of the share tenant or sharecropper (or transferee) allocated the insurance unit on which the loss occurred and payment shall be made by joint check payable to the insured and said share tenant or sharecropper (or transferee), (6) collateral assignments shall not be honored but the insured shall from the proceeds of the joint check be entitled to any amounts owed him for advances to finance the current cotton or tobacco crop on the insurance unit, and (7) the Corporation shall not deduct from any indemnity any amount except the current premium on the share tenant's or sharecropper's interest and any amount owed the Corporation by the share tenant or sharecropper (or transferee). For each crop year of the contract, the contract shall not cover the interest of any share tenant or sharecropper who is insured with the Corporation under an individual contract.

(c) The Corporation reserves the right to discontinue the acceptance of applications in any county upon its determination that the insurance risk involved is excessive, and also, for the same reason, to reject any individual application.

(d) A contract may be issued under these regulations without the filing of a new application as a continuation of a continuous contract issued under parts 415, 416, 417, 418, 419, 420, 421, 423 or 424, and shall be put into effect in accordance with the provisions of the applicable policies issued under said parts governing changes in the contract.

(e) Applications for initial insurance not involving the insurance of the interest of a share tenant or sharecropper, as defined in the contract, shall be on the following form:

Application Form FCI-812
UNITED STATES DEPARTMENT OF AGRICULTURE

FEDERAL CROP INSURANCE CORPORATION

(State and county code and contract No.)

APPLICATION FOR CROP INSURANCE FOR
19__ AND SUCCEEDING CROP YEARS IN

(County) (State)

Name _____
Address _____
(Please print or type)

A. The undersigned applicant hereby applies under the applicable regulations to the Federal Crop Insurance Corporation (herein called the "Corporation") for insurance on his interest in the crops listed below planted on acreage included in the crop insurance program of the Corporation for the county designated above.

This application, when executed by a person as an individual, shall not cover his interest(s) in a crop produced by a partnership. Any application on this form signed by two or more persons shall cover only that acreage in which all of the applicants have an interest, and such acreage shall not be covered by any other insurance contract

any of the applicants may have with the Corporation, provided no application by or on behalf of a sharecropper shall be made on this form.

B. This application, upon acceptance by the Corporation, and the applicable insurance policy, endorsements, and actuarial table on file in the county office of the Corporation for the crop(s) designated above shall constitute the contract. The contract shall be in effect for the crop year specified above and shall continue for each succeeding crop year until cancelled or terminated in accordance with the provisions of the contract.

C. For the first crop year of the contract the coverage(s), premium rate(s), and fixed price(s), if applicable, shall be those for that crop year which are on file in the county office. For each subsequent crop year the coverage(s), premium rate(s), and the fixed price(s), if applicable, together with any changes in the contract, shall be on file in the county office at least 15 days prior to the applicable cancellation date. For each crop year of the contract any acreage is insurable only if a coverage for such acreage is shown on the county actuarial table for that crop year.

D. The Corporation reserves the right to reject this application in its entirety or to exclude insurance for the initial crop year on any crop on which it has discontinued accepting applications.

E. Premium Note—The applicant(s) promises to pay to the Corporation each crop year during which the contract is in effect the amount of the premium due under the contract and agrees that any amount of the premium which is unpaid on the day following the applicable discount date(s) shown in the contract shall be increased by ten percent and that thereafter, at the end of each 12-months' period, six percent simple interest shall attach to any premium balance which is unpaid.

(Signature of applicant)

19__

(Witness to signature)

The undersigned co-signer is a surety for the payment of the premium note as it applies to the first crop year of the contract and is in no other way a party to the contract.

(Signature of co-signer)

(Name and address of co-signer (print))

19__

(Date)

F. Recommended for acceptance by

(Corporation representative)

G. Accepted by the Federal Crop Insurance Corporation by

(State director)

19__

(Date)

(County office address)

(Location of farm(s) or headquarters)

(f) Applications for initial insurance involving the insurance of the interest of a share tenant or sharecropper, as defined in the contract, shall be on the following form:

Application Form FCI-812-S
UNITED STATES DEPARTMENT OF AGRICULTURE

FEDERAL CROP INSURANCE CORPORATION

(State and county code and contract No.)

APPLICATION FOR CROP INSURANCE FOR
19-- AND SUCCEEDING CROP YEARS IN

(County) (State)

Name _____
Address _____
(Please print or type)

A. The undersigned applicant hereby applies under the applicable regulations to the Federal Crop Insurance Corporation (herein called the "Corporation") for insurance on his interest in the crops listed below planted on acreage included in the crop insurance program of the Corporation for the county designated above.

This application, when executed by a person as an individual, shall not cover his interest(s) in a crop produced by a partnership.

B. This application, upon acceptance by the Corporation, and the applicable insurance policy, endorsements and actuarial table on file in the county office of the Corporation for the crop(s) designated above shall constitute the contract. The contract shall be in effect for the crop year specified above and shall continue for each succeeding crop year until cancelled or terminated in accordance with the provisions of the contract.

C. For the first crop year of the contract the coverage(s), premium rate(s), and fixed price(s), if applicable, shall be those for that crop year which are on file in the county office. For each subsequent crop year the coverage(s), premium rate(s), and the fixed price(s), if applicable, together with any changes in the contract, shall be on file in the county office at least 15 days prior to the applicable cancellation date. For each crop year of the contract any acreage is insurable only if a coverage for such acreage is shown on the county actuarial table for that crop year.

D. The Corporation reserves the right to reject this application in its entirety or to exclude insurance for the initial crop year on any crop on which it has discontinued accepting applications.

E. Premium Note—The applicant(s) promises to pay to the Corporation each crop year during which the contract is in effect the amount of the premium due under the contract and agrees that any amount of the premium which is unpaid on the day following the applicable discount date(s) shown in the contract shall be increased by ten percent and that thereafter, at the end of each 12-months' period, six percent simple interest shall attach to any premium balance which is unpaid.

(Signature of applicant)

19--

(Witness to signature)

The undersigned co-signer is a surety for the payment of the premium note as it applies to the first crop year of the contract and is in no other way a party to the contract.

(Name and address of
co-signer (print))

(Signature of co-signer)

19--

(Date)

SHARE TENANT AND SHARECROPPER INTEREST(S)

F. The applicant by signing below agrees that if this application is accepted the contract shall cover the interest(s) of share tenant(s) and sharecropper(s) in acreage in which the applicant has an interest as owner-operator or tenant-operator. The interest(s) covered shall be that interest(s) which the share tenant(s) and sharecropper(s) have at the time of planting and any

interest(s) allocated to them after planting pursuant to an understanding existing at the time of planting. As to such share tenant(s) or sharecropper(s) interest(s), notwithstanding any other provision of the contract to the contrary, (1) the applicant shall be considered the insured and the interest(s) insured shall be considered as his interest(s), (2) premiums (except for reductions based on good experience) and losses shall be computed in the same manner and under the same terms and conditions as if the share tenant(s) and sharecropper(s) had signed (and the Corporation accepted) an individual application for insurance, (3) the applicant shall designate on his annual acreage report the name of the share tenant(s) and sharecropper(s) and the acreage allocated to them, (4) transfers of interest in insured acreage made before the beginning of harvest and the time of loss will be recognized when indemnities are computed, (5) any indemnity shall be for the benefit of the share tenant or sharecropper (or transferee) allocated the insurance unit on which the loss occurred and payment shall be made by joint check payable to the insured and said share tenant or sharecropper (or transferee), (6) collateral assignments shall not be honored, and (7) the Corporation shall not deduct from any indemnity any amount except for the current premium on the share tenant's or sharecropper's interest and any amount owed the Corporation by the share tenant or sharecropper (or transferee). For each crop year of the contract, the contract shall not cover the interest of any share tenant or sharecropper who is insured with the Corporation under an individual contract.

Signature of applicant:

(Contract shall not cover
share tenant and share-
cropper interest unless
signed here)

19--

G. Recommended for acceptance by

(Corporation represent-
ative)

H. Accepted by the Federal Crop Insurance
Corporation by

(State director)

19--

(Date)

(County office address)

(Location of farm(s) or headquarters)

(Estimated number share tenants and
sharecroppers)

(g) An applicant who is insured under an existing contract may apply for insurance on additional crops on the following form:

Application Form FCI-812-A

UNITED STATES DEPARTMENT OF AGRICULTURE

FEDERAL CROP INSURANCE CORPORATION

CHANGES IN INSURANCE ON CONTRACT NO.

(State and county code and contract No.)

Name _____

Address _____

(County) (State)

(Please print or type)

A. I hereby elect to change my above-identified insurance contract beginning with the 19-- crop year as indicated below:

☐ Add insurance on _____
☐ Cancel insurance on _____
☐

Remarks: _____

(Signature of insured)

(Date)

Prepared by

Accepted by the Federal Crop Insurance
Corporation by

(Date)

§ 401.4 Public notice of indemnities paid. The Corporation shall provide for posting annually in each county at the county courthouse a listing of the indemnities paid in the county.

§ 401.5 Creditors. An interest in an insured crop existing by virtue of a lien, mortgage, garnishment, levy, execution, bankruptcy, or any involuntary transfer shall not entitle the holder of the interest to any benefit under the contract.

§ 401.6 Co-insurance. Notwithstanding any other provisions of this subpart to the contrary, the Manager of the Corporation is authorized, in counties designated by him, to permit insureds to elect for any crop a percentage of the maximum protection available, in which event the amount of premium (subject to section 5 of the policy) and any indemnity payable under the contract for that crop shall be adjusted accordingly. For the first crop year of a contract the election for a crop must be made in writing at the time the application for insurance for such crop is filed. For any subsequent crop year of a contract, an election may be made, changed, or rescinded for any crop by notifying the county office in writing on or before the cancellation date for that crop for the crop year the change is to become effective. In counties designated for such co-insurance the percentages established by the Manager for each insurable crop will be shown on the county actuarial table on file in the county office.

§ 401.7 The contract. The insurance contract shall become effective upon compliance with the provisions of § 401.3 (d) or upon the acceptance by the Corporation of a duly executed application for insurance on a form prescribed by the Corporation. The contract shall cover the crops covered by endorsements to the policy when the policy is issued pursuant to the provisions of § 401.3 (d) or the crops upon which insurance is accepted by the Corporation pursuant to a duly filed application. The insurance contract shall consist of that part of the county actuarial table pertaining to such crops, the policy contained in § 401.11, the endorsements included in these regulations for the crops covered by the accepted application or the contract issued pursuant to § 401.3 (d), and the application in cases where a new application is required.

§ 401.11 The policy. The provisions of the Federal Crop Insurance Policy for the 1958 and succeeding crop years are as follows:

Subject to the terms and conditions set forth herein and the applicable endorse-

See 7210

ments, the Federal Crop Insurance Corporation (herein called "Corporation") does insure the applicant (herein called the "insured"), subject to the acceptance of his application, against unavoidable loss of production on his insured crops due to the causes specified in the applicable endorsement. No term or condition of the contract shall be waived or changed on behalf of the Corporation except in writing by a duly authorized representative of the Corporation.

TERMS AND CONDITIONS

Subject to the provisions in the applicable endorsement:

1. *Insured crops.* The crops insured are the crops (to the extent of interest of the insured therein as hereinafter set out) for which the insured has applied for insurance, for which coverages and premium rates are shown on the county actuarial table, for which endorsements to this policy are in force, and which are grown on insured acreage. The insured acreage for a crop for each crop year shall be that acreage in the county planted to the crop on land for which coverage is shown on the county actuarial table (provided in counties where coverages are established by farming practices the farming practice carried out on such acreage is one for which a coverage is established on the county actuarial table) and in which the insured had an interest at the time of planting as reported by the insured or as determined by the Corporation, whichever the Corporation shall elect. The interest insured shall be the interest of the insured at the time of planting in the insured crop grown on insured acreage as reported by the insured or as determined by the Corporation, whichever the Corporation shall elect; *Provided*, That insurance shall not be considered to have attached to any acreage for which coverage is not established on an irrigated basis but which would qualify for irrigated coverage under section 22 (a) (1) hereof, if the insured files an acreage report within the period specified in section 2 and at that time designates thereon such acreage as being not insured; *Provided Further*, That insurance shall not attach or be considered to have attached on acreage on which it is determined by the Corporation that the insured crop is (a) destroyed and after such destruction it is practical to replant to the same crop and such acreage is not replanted to the same crop, (b) initially planted too late to expect a normal crop to be produced, (c) volunteer, or (d) of a type or variety not adapted to the area or shown as non-insurable on the county actuarial table. In addition to the rights of the Corporation, under section 6 hereof, the Corporation reserves the right to limit the insured acreage of any crop to the allotment, permitted acreage, or any other acreage limitations established under any act of Congress upon so notifying the insured in writing prior to the planting of such crop. For the purpose of determining the amount of loss, the insured interest shall not exceed the insured's interest at the time of loss or the beginning of harvest, whichever occurs first.

2. *Responsibility of the insured to report acreage and interest.* Promptly after planting the insured crops each year the insured shall submit to the county office, on a form prescribed by the Corporation, a report showing all acreage in the county planted to each insured crop (including a designation of any acreage of an insurable crop covered by the contract to which insurance does not attach) in which he has an interest and his interest therein at the time of planting. If both winter and spring crops are insurable in a county, a separate report of acreage planted to winter crops shall be submitted promptly after completion of planting the insured winter crops. If the insured does not have an interest in any insured acreage in the county for any year he shall never-

theless submit a report so indicating. Any acreage report submitted by the insured shall be binding upon the insured and shall not be subject to change by the insured. If the insured fails to submit a required acreage report within 30 days after the planting of an insured crop is generally completed in the county, the Corporation may elect to determine the insured acreage and the interest or declare the insured acreage to be "zero" with respect to the crop for which the acreage report was not filed.

3. *Coverage, premium rate, and fixed price.* For each crop year of the contract the coverages, premium rates, and if applicable the fixed prices used to evaluate production, shall be those established by the Corporation for such crop year and shown on the county actuarial table on file in the county office.

4. *Annual premium.* (a) The annual premium for an insured crop shall be earned and payable when the insured crop is planted.

(b) Any amount of premium for an insured crop which is unpaid on the day following the discount date for such crop shall be increased by ten percent, which increased amount shall be the premium balance, and thereafter, at the end of each 12 months' period six percent simple interest shall attach to any amount of the premium balance which is unpaid.

(c) The insured's annual premium for an insured crop may be reduced 25 percent for any year if he has had seven consecutive years of insurance on such crop (immediately preceding the current crop year and eliminating any year in which a premium was not earned) without a loss for which an indemnity was paid. Nothing in this paragraph shall create in the insured any right to a reduced premium.

(d) Any unpaid amount due the Corporation by the insured may be deducted from any indemnity payable to the insured by the Corporation or from any loan or payment to the insured under any act of Congress or program administered by the United States Department of Agriculture, unless prohibited by law.

5. *Minimum premium.* If in any year, a premium is earned for any crop and totals less than \$10.00 the amount shall be increased to \$10.00.

6. *Changes in the contract.* The Corporation reserves the right to change the insurable crops, premium rates, coverages, fixed prices, and other terms and provisions of the contract, from year to year. Any changes in the contract, with respect to any crop shall be mailed to the insured or placed on file in the county office at least 15 days prior to the cancellation date for that crop, preceding the crop year for which the changes are to become effective, and such mailing or filing shall constitute notice to the insured. Failure of the insured to cancel the insurance with respect to any crop for which changes are made as provided in section 15 shall constitute his acceptance of any such changes.

7. *Causes of loss not insured against.* The contract shall not cover any loss due to the neglect or malfeasance of the insured, any member of his household, his tenants, sharecroppers, or employees, or failure to follow recognized good farming practices, or to any cause other than those specified in the applicable endorsement.

8. *Notice of loss or substantial damage.* (a) If, during the growing season, an insured crop on any insurance unit is substantially damaged, the insured shall promptly give written notice of such damage to the Corporation at the county office.

(b) If an insured loss occurs on any insurance unit the insured shall give prompt written notice to the Corporation at the county office within 15 days after threshing (harvesting in the case of any crop that is not normally threshed) is completed on the

insurance unit or the calendar date for the end of the insurance period, whichever is earlier.

(c) The Corporation reserves the right to reject any claim for loss if any of the requirements of this section are not met if it determines that it has been prejudiced by such failure.

9. *Acreage appraised to be put to another use.* (a) No acreage of an insured crop shall be put to another use until the Corporation appraises the potential production of such acreage and consents in writing to such other use. Such consent shall not be given until it is too late to replant to the same crop. The appraised potential production from such acreage will be counted as production as provided in section 11 when any indemnity for the insurance unit involved is determined. *Provided, however*, If the acreage is not put to another use before harvest of the insured crop becomes general in the county or the acreage is harvested, the indemnity with respect to the insurance unit shall be determined without regard to the consent of the Corporation to put the acreage to another use and the appraisal made in connection therewith.

(b) There shall be no abandonment to the Corporation of the insured crop.

10. *Time of loss.* Any loss shall be deemed to have occurred at the end of the insurance period unless the entire crop on the insurance unit is destroyed earlier, in which event the loss shall be deemed to have occurred on the date of such destruction as determined by the Corporation.

11. *Claims for loss.* (a) Any claim for loss on an insurance unit shall be submitted to the Corporation, on a form prescribed by the Corporation, not later than 60 days after the time of loss.

(b) It shall be a condition precedent to the payment of any loss that the insured establish the production of the insured crop on the insurance unit and that such loss has been directly caused by one or more of the hazards insured against during the insurance period for the crop year for which the loss is claimed, and furnish any other information regarding the manner and extent of loss as may be required by the Corporation. Any insured acreage which is not to be harvested shall be left intact until the Corporation makes an inspection.

(c) Losses shall be determined separately for each insurance unit. The amount of loss with respect to any insurance unit shall be determined by (1) multiplying the insured acreage of the insured crop on the insurance unit by the applicable coverage per acre, (2) subtracting therefrom the value (determined in accordance with the applicable endorsement) of the total production to be counted for the insurance unit, and (3) multiplying the remainder by the insured interest; *Provided*, That if for the insurance unit the insured fails to report all of his interest or insurable acreage the amount of loss shall be determined with respect to all of his interest and insurable acreage but, in such cases or otherwise, if the premium computed on the basis of the insurable acreage and interest exceeds the premium on the reported acreage and interest or the acreage and interest when determined by the Corporation under section 2 of this policy, the amount of loss shall be reduced proportionately. The total production to be counted for an insurance unit shall include all threshed (harvested in the case of crops not normally threshed) production and any appraisals made by the Corporation for unthreshed, unharvested, or potential production, poor farming practices, uninsured causes of loss, or for acreage abandoned or put to another use without the consent of the Corporation; *Provided*, That the total production to be counted for any acreage not eligible for the highest stage of coverage shall be the amount by which the total of any appraised and harvested production ex-

ceeds the difference between the coverage applicable for such acreage and the highest stage of coverage established for such acreage: *Provided further*, The coverage on any acreage of an insured crop which is abandoned or put to another use without the consent of the Corporation shall be the maximum coverage provided for such acreage and the total production to be counted therefrom shall not be less than such coverage.

(d) If the production from an insurance unit is commingled with the production from any other acreage and the insured fails to keep records satisfactory to the Corporation of the acreages involved and the production from each, the Corporation may allocate the commingled production in such manner as it determines appropriate if sufficient facts are available as determined by the Corporation; otherwise the Corporation may deny liability with respect to all insurance units involved for the crop year without affecting the insured's liability for premium.

12. *Payment of indemnity.* (a) Any indemnity will be payable within thirty days after a claim for loss is approved by the Corporation: *Provided*, That in no event shall the Corporation be liable for interest or damages in connection with any claim for indemnity.

(b) If the insured dies, is judicially declared incompetent or disappears, any indemnity which is, or becomes, part of his estate shall be paid to the legal representative of the estate. Where no such representative has qualified, the Corporation may pay the indemnity to the person it determines to be beneficially entitled thereto or to any one or more of such persons on behalf of all such persons, or may withhold payment until a legal representative of the estate is qualified. In such cases, and in any case where diverse interests appear or an indemnity is claimed by a person other than the original insured the determination of the Corporation as to the person to whom payment shall be made shall be final and conclusive. Payment of an indemnity shall constitute a complete discharge of the Corporation's obligation with respect to the loss for which such indemnity is paid.

13. *Avoidance of contract.* The Corporation may void the contract with respect to any crop without affecting the insured's liability for premiums or waiving any right or remedy including the right to collect any unpaid premiums if at any time, either before or after any loss, the insured has concealed or misrepresented any material fact or committed any fraud relating to the contract, with respect to such crop, and such avoidance shall be effective as of the beginning of the crop year with respect to which any such act or omission occurred.

14. *Other insurance.* If the insured has other insurance, whether valid or not, against (a) more than three of the risks insured against under this contract, or (b) damage by fire during the insurance period, and there is damage from a risk so insured against, the Corporation shall not be liable for a greater proportion of any loss under this contract than the coverage under this contract for the insurance units involved bears to the total of all coverages: *Provided, however*, That for the purpose of this paragraph the risks insured against in section 1 of the applicable endorsement under the term "any other unavoidable cause of loss due to adverse weather conditions" shall be considered as one risk.

15. *Life of contract, cancellation, or termination thereof.* (a) Subject to the provisions of this section, the contract shall be in effect for the first crop year specified on the application and shall continue in effect for each succeeding crop year until insurance on all crops which have been covered by endorsement hereto is cancelled by the insured or the Corporation.

Cancellation of insurance on any crop for which an endorsement hereto is in effect for any crop year may be made by either party giving written notice to the other party on or before the cancellation date for that crop (see applicable endorsement) preceding the crop year for which the cancellation is to become effective; *Provided, however*, That for any crop year insurance shall terminate on any insured crop as if cancelled by the Corporation prior to the cancellation date for that insured crop if by the termination date for indebtedness shown in the applicable endorsement, (1) any amount due the Corporation for insurance on that crop remains unpaid, except the premium due on a crop normally harvested in the calendar year in which the termination date for indebtedness for that crop occurs, or (2) the insured has not complied with a request by the Corporation that arrangements satisfactory to the Corporation be made for the payment of premium for the following crop year.

(b) If the insured cancels the insurance for any crop he shall not be eligible for insurance on that crop in the county in the next succeeding crop year unless he subsequently applies for insurance on or before the cancellation date preceding such crop year. *Provided, however*, If the insured does not apply for insurance by such cancellation date, he shall, upon approval of the Corporation as to risk, be eligible for insurance in the next succeeding crop year if he applies within 15 days after the cancellation date preceding such crop year.

(c) If the Corporation determines that the county minimum participation requirement established by the Federal Crop Insurance Act, as amended, is not met for any crop year, insurance shall not be in effect for that crop year and the contract shall terminate.

(d) The contract shall terminate upon death or judicial declaration of incompetence of the insured, except that if such death or judicial declaration of incompetence occurs after the beginning of planting of any insured crop in any crop year but before the latest calendar date specified in the attached endorsements for the end of the insurance period for any insured crop for such crop year, the contract (1) shall not terminate with respect to each insured crop until the end of the insurance period for that crop, and (2) shall cover any additional acreage of all such crops planted for the insured or his estate for that crop year.

16. *Transfer of interest.* If the insured transfers all or a part of his insured interest in an insured crop before the beginning of harvest and the time of loss, the transferee may obtain the benefits of the contract for the current crop year on the interest transferred if within 15 days after the date of transfer he (1) submits to the county office such information concerning the transfer as may be required by the Corporation, and (2) makes arrangements satisfactory to the Corporation for the payment of any unpaid premium on the interest transferred. Upon approval of a transfer of interest by the Corporation, the transferee and the transferor shall be jointly and severally liable for any unpaid premium on the interest transferred. Any transfer shall be subject to the conditions of the contract including any collateral assignment made by the transferor, and the Corporation shall not be liable for a greater amount of indemnity in connection with the insured crop than if the transfer had not taken place.

17. *Collateral assignment.* The original insured may assign his right to an indemnity for a crop for any year under the contract by executing a form prescribed by the Corporation and upon approval thereof by the Corporation the interest of the assignee will be recognized and the assignee shall have the right to submit the loss notices and

forms as required by the contract if the insured neglects or refuses to take such action.

18. *Subrogation.* The insured assigns to the Corporation all rights of recovery against any person for loss or damage to the extent that payment therefor is made by the Corporation, and shall execute all papers required and take such action as may be necessary to secure such rights.

19. *Records and access to farm.* The insured shall keep or cause to be kept, for two years after the time of loss, records of the harvesting, storage, shipments, sale, or other disposition of all of the insured crop produced on each insurance unit covered by the contract, and separate records showing the same information for production on any uninsured acreage of the insured crop in the county in which he has an interest. Any persons designated by the Corporation shall have access to such records and the farm for purposes related to the contract.

20. *Forms.* Copies of forms referred to in the contract are available at the county office.

21. *Meaning of terms.* For purposes of the crop insurance program:

(a) "Acreage report" in addition to a report of the planted acres of the insured crop as provided herein, shall be deemed to include a report on a form prescribed by the Corporation of the acres of the applicable crop intended to be planted by the insured and under which the insured agrees that unless he files a report of the acres actually planted within 15 days after the insured crop is planted the report shall be considered his acreage report.

(b) "County" (Parish in Louisiana) means the area shown on the county actuarial table which may include farms located in a local producing area bordering on the county.

(c) "County actuarial table" means the forms and related materials (including the crop insurance maps where applicable) which are approved annually by the Corporation and show the fixed prices where applicable, the coverages and the premium rates applicable in the county.

(d) "County office" means the Corporation's office for the county shown on the application for insurance or such other office as may be specified by the Corporation from time to time.

(e) "Crop year" means the period within which the insured crop is normally planted and normally harvested, and shall be designated by reference to the calendar year in which the crop is normally harvested.

(f) "Insurance unit" means (1) all the insurable acreage of an insured crop in the county in which the insured has 100 percent interest at the time of planting, or (2) all the insurable acreage of an insured crop in the county which is owned by one person and is operated by the insured as a tenant at the time of planting, or (3) all the insurable acreage of an insured crop in the county which is owned by the insured and is rented to one tenant at the time of planting. Land rented for cash or for a fixed commodity payment shall be considered as owned by the lessee.

(g) "Person" or "insured" means an individual, partnership, association, corporation, estate, or trust or other business enterprise or other legal entity, and wherever applicable, a State, a political subdivision of a State, or any agency thereof.

(h) "Substitute crop" means any crop except lespedeza, annual legumes used for a green manure crop or for a cover crop and not harvested, biennial and perennial legumes and perennial grasses, planted on acreage (appraised by the Corporation to be put to another use) before harvest of the insured crop becomes general in the county (in California, before the insured crop generally in the area is mature) as determined by the Corporation. Biennial and perennial leg-

umes and perennial grasses seeded with the insured crop or in the growing insured crop shall not be considered a substitute crop. If other small grains are seeded in a growing insured small grain crop on acreage appraised by the Corporation to be put to another use, the crop of the insured small grain crop and other grains shall be considered a substitute crop.

(1) "Tenant" means a person who rents land from another person for a share of the crop, or proceeds therefrom, produced on such land.

22. *Irrigated acreage.* (a) The acreage of an insured crop which shall be insured on the basis of irrigated coverage in any year shall not exceed the smaller of (1) that acreage which normally could be irrigated adequately with the facilities available, taking into consideration the amount of water available after providing the water required to irrigate the acreage of all uninsured irrigated crops on the farm, or (2) that acreage on which one irrigation is carried out in accordance with good farming practices as determined by the Corporation, either before the crop is planted or during the growing season, unless the insured crop on such acreage is destroyed by an insured cause before the application of irrigation water is required in accordance with good farming practices as determined by the Corporation and no damage has occurred to the insured crop due to drought or failure to apply irrigation water. Insurance shall not attach with respect to acreage planted to an insured crop the first year after being leveled. Where the irrigated acreage of the insured crop exceeds the maximum acreage which may be insured hereunder the Corporation shall determine the acreage insured on an irrigated basis.

(b) In addition to the causes of loss insured against shown in the applicable endorsement, the contract shall cover loss in production due to failure of the water supply from natural causes that could not be foreseen and prevented by the insured, including (1) lowering of the water level in pump wells adequate at the beginning of the growing season to the extent that either deepening the well or drilling a new well would be necessary to obtain an adequate supply of water, (2) failure of public power used for pumping or failure of an irrigation district or water company to deliver water where such failure is not within the control of the insured, or (3) the collapse of casing in wells.

(c) The contract shall not cover loss in production caused by (1) failure properly to apply adequate irrigation water to the insured crop when needed and in accordance with recognized good farming practices for the area, (2) failure to provide adequate casing or properly to adjust the pumping equipment in the event of a lowering of the water level in pump wells when such adjustment can be made without deepening the well, (3) failure properly to apply irrigation water to the insured crop in proportion to the need of the crop and the amount of water available for all irrigated crops, or (4) shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of irrigation water which could be reasonably expected.

§ 401.17 *The barley endorsement.* The provisions of the barley endorsement for the 1958 and succeeding crop years are as follows:

1. *Causes of loss insured against.* The insurance provided is against unavoidable loss of production due to wildlife, insect infestation, plant disease, earthquake, drought, flood, hail, wind, frost, freeze, winter-kill,

lightning, fire, excessive rain, snow, hurricane, tornado, and any other unavoidable cause of loss due to adverse weather conditions.

2. *Insured crop.* Insurance shall not attach on acreage on which it is determined by the Corporation that barley is (a) seeded with flax or other small grains or vetch, or (b) seeded on new ground acreage in counties where the cancellation date is March 15, and no insurance shall attach to any acreage not seeded to barley for harvest as grain as determined by the Corporation.

3. *Coverage per acre.* The coverage per acre is progressive depending upon whether the acreage is (a) First Stage—seeded to a substitute crop when the Corporation has consented that the acreage be put to another use, (b) Second Stage—not harvested and not seeded to a substitute crop, or (c) Third Stage—harvested.

4. *Insurance period.* Insurance on any insured acreage shall attach at the time the barley is seeded and shall cease upon threshing or removal from the field, whichever occurs first, but in no event shall insurance remain in effect later than October 31 of the calendar year in which the barley is normally harvested.

5. *Claims for loss.* (a) The total production to be counted shall include any harvested production from acreage initially seeded for purposes other than for harvest as grain as determined by the Corporation.

(b) In determining total production volunteer small grains and volunteer vetch growing with the seeded barley crop, and small grains seeded in the growing barley crop on acreage on which the Corporation has not given its consent to be put to another use shall be counted as barley on a weight basis.

(c) In determining any loss under the contract, production shall be valued at the fixed price. However, any threshed barley which (1) does not grade No. 4 or better (determined in accordance with Official Grain Standards of the United States) because of poor quality due to insurable causes occurring within the insurance period and would not meet these grade requirements if properly handled, and (2) has a value per bushel which is less than the lower of the fixed price or the Commodity Credit Corporation county loan rate for No. 4 barley, shall be valued by the Corporation at a price not in excess of the fixed price: *Provided*, When the Commodity Credit Corporation county loan rate for No. 4 barley is less than the fixed price, the total value of such threshed barley, as determined by the Corporation, shall be adjusted by dividing it by such loan rate and multiplying the result by the fixed price.

6. *Meaning of terms.* For purposes of insurance on barley the terms:

(a) "Harvest" means the mechanical severance from the land of matured barley for threshing where the barley crop has not been destroyed.

(b) "New ground acreage" means any acreage which has not been planted to a crop in any one of the previous three crop years, except (1) acreage in tame hay or rotation pasture during the previous crop year, and (2) (applicable only in Montana) any acreage which has been properly summer fallowed the previous crop year in accordance with good farming practices in the area shall not be considered new ground acreage.

7. *Cancellation, termination for indebtedness and discount dates.* (a) For each year of contract the cancellation date and termination date for indebtedness are the following applicable dates immediately preceding the beginning of the crop year for which the cancellation or the termination is to become effective: *Provided, however*, That for the purposes of determining the applicable cancellation and termination dates only, and notwithstanding section 21 (e) of the policy, the crop year for spring planted barley insured in all counties with a March 15 can-

cancellation date shall be considered to mean that period in which the winter barley crop in such counties is normally planted and normally harvested, and shall be designated by reference to the calendar year in which the crop is normally harvested.

State	Cancellation date	Termination date for indebtedness
California, Idaho, Oregon, and Washington	Mar. 15	Mar. 15
All other States	Dec. 31	Mar. 31

(b) For each crop year of the contract the discount date shall be the November 30 of the calendar year in which the barley is normally harvested.

§ 401.18 *The dry edible bean endorsement.* The provisions of the dry edible bean endorsement for the 1958 and succeeding crop years are as follows:

1. *Causes of loss insured against.* The insurance provided is against unavoidable loss of production due to wildlife, insect infestation, plant disease, earthquake, drought, flood, hail, wind, frost, freeze, lightning, fire, excessive rain, snow, hurricane, tornado, and any other unavoidable cause of loss due to adverse weather conditions.

2. *Insured crop.* Insurance shall not attach on acreage on which it is determined by the Corporation that beans are planted on new ground acreage, and no insurance shall attach to any acreage not planted to dry edible beans of a class shown on the county actuarial table as determined by the Corporation.

3. *Annual premium.* If the insured is not eligible for the reduction provided in section 4 (c) of the policy, the insured's annual bean premium may be reduced 25 percent for any year if it is determined by the Corporation that the accumulated balance (expressed in dollars) of premiums over indemnities on consecutively insured bean crops preceding the current crop year exceeds his total coverage computed on a threshed coverage basis. Nothing in this paragraph shall create in the insured any right to a reduced premium.

4. *Coverage per acre.* The coverage per acre is progressive depending upon whether the acreage is (a) First Stage—not pulled or cut, (b) Second Stage—pulled or cut but not threshed, or (c) Third Stage—threshed.

5. *Insurance period.* Insurance on any insured acreage shall attach at the time the beans are planted and shall cease upon threshing or removal from the field, whichever occurs first, but in no event shall insurance remain in effect later than December 15 of the calendar year in which the bean crop is normally harvested.

6. *Claims for loss.* In determining any loss under the contract, threshed production shall be valued at the fixed price for the applicable grade or pick, except that any threshed production of beans which will not meet any U. S. Grade or pick shown on the county actuarial table because of poor quality due to insurable causes occurring within the insurance period and would not meet these grade or pick requirements if properly handled, shall be valued at the lesser of the lowest price shown on the county actuarial table for that class of beans or the market value of such beans as determined by the Corporation. Any potential or unthreshed production to be counted shall be valued at the fixed price shown on the county actuarial table for this purpose.

7. *Meaning of terms.* For purposes of insurance on dry edible beans the terms:

(a) "Harvest" means pulling or cutting matured beans for threshing where the bean crop has not been destroyed.

(b) "New ground acreage" means any acreage which has not been planted to a crop in any one of the previous three crop years, except that acreage in tame hay or rotation pasture during the previous crop year shall not be considered new ground acreage.

(c) "Pick" means the defects consisting of splits, damaged beans, contrasting classes and foreign material included in net weight beans, and where used shall be expressed in terms of percent of net weight beans.

8. *Cancellation, termination for indebtedness and discount dates.* (a) For each year of the contract the cancellation date shall be the December 31 and the termination date for indebtedness shall be the May 15 immediately preceding the beginning of the crop year for which the cancellation or the termination to become effective.

(b) For each crop year of the contract the discount date shall be the November 30 of the calendar year in which the bean crop is normally harvested.

§ 401.19 *The corn endorsement.* The provisions of the corn endorsement for the 1958 and succeeding crop years are as follows:

1. *Causes of loss insured against.* The insurance provided is against unavoidable loss of production due to wildlife, insect infestation, plant disease, earthquake, drought, flood, hail, wind, frost, freeze, lightning, fire, excessive rain, snow, hurricane, tornado, and any other unavoidable cause of loss due to adverse weather conditions.

2. *Insured crop.* Insurance shall not attach on acreage on which it is determined by the Corporation that the corn is true type silage corn or thick planted corn for silage or fodder purposes, sweet corn, popcorn, broom corn, corn planted for the development of hybrid seed corn, or any type of corn other than that normally regarded as field corn, and no insurance shall attach to any acreage not planted to corn for harvest as grain as determined by the Corporation.

3. *Annual premium.* If the insured is not eligible for the reduction provided in section 4 (c) of the policy, the insured's annual corn premium may be reduced 25 percent for any year if it is determined by the Corporation that the accumulated balance (expressed in dollars) of premiums over indemnities on consecutively insured corn crops preceding the current crop year exceeds his total coverage computed on a harvested coverage basis. Nothing in this paragraph shall create in the insured any right to a reduced premium.

4. *Coverage per acre.* The coverage per acre is progressive depending upon whether the acreage is (a) First Stage—planted to a substitute crop when the Corporation has consented that the acreage be put to another use, (b) Second Stage—not harvested and not planted to a substitute crop or fed to livestock in the field after consent and appraisal by the Corporation in accordance with section 9 of the policy, or (c) Third Stage—harvested, or to be harvested.

5. *Insurance period.* Insurance on any insured acreage shall attach at the time the corn is planted and shall cease upon harvesting or removal from the field, whichever occurs first, but in no event shall insurance remain in effect later than December 10 of the calendar year in which the corn is normally harvested.

6. *Acreage appraised to be put to another use.* Notwithstanding section 9 (a) of the policy, the corn crop on any insured acreage may be used for silage or fodder without an appraisal and consent by the Corporation to be put to another use, provided the insured leaves a number of rows considered by the Corporation to be an adequate representative sample for use by the Corporation in appraising the production.

7. *Claims for loss.* (a) In determining any loss under the contract, production shall be valued at the fixed price, except that any

corn which will not meet the latest available requirements for a Commodity Credit Corporation loan or support because of poor quality due to insurable causes occurring within the insurance period and would not meet these requirements if properly handled, shall be valued by the Corporation at a price not in excess of the fixed price.

(b) The Corporation reserves the right to determine the amount of production on the basis of an appraisal of unharvested corn standing in the field.

8. *Meaning of terms.* For purposes of insurance on corn the terms:

(a) "Harvest" means picking the corn from the stalk either by hand or machine or cutting the corn for fodder or silage. For the purpose of determining the stage of coverage, any acreage shall not be considered as harvested unless the harvested, or to be harvested, production therefrom is equal in value (determined in accordance with section 7 (a) of this endorsement) to 10 percent or more of the harvested coverage for such acreage.

(b) "Substitute crop", notwithstanding the provisions of section 21 (b) of the policy, means any crop other than corn planted for harvest in the same crop year on acreage appraised by the Corporation to be put to another use.

9. *Cancellation, termination for indebtedness and discount dates.* (a) For each year of the contract the cancellation date shall be the December 31 and the termination date for indebtedness shall be the April 30 immediately preceding the beginning of the crop year for which the cancellation or the termination is to become effective.

(b) For each crop year of the contract the discount date shall be the November 30 of the calendar year in which the corn crop is normally harvested.

§ 401.20 *The cotton endorsement.* The provisions of the cotton endorsement for the 1958 and succeeding crop years are as follows:

1. *Causes of loss insured against.* The insurance provided is against unavoidable loss of lint cotton production on the cotton crop due to wildlife, insect infestation, plant disease, earthquake, drought, flood, hail, wind, frost, freeze, lightning, fire, excessive rain, snow, hurricane, tornado, and any other unavoidable cause of loss due to adverse weather conditions: *Provided*, That in Saint Landry Parish, Louisiana, flood as a cause of loss insured against shall not include damage caused by the use or overflow of the Atchafalaya River Spillway.

2. *Insured crop.* Insurance shall not attach or be considered to have attached on acreage on which it is determined by the Corporation that cotton is (a) planted following in the same year a small grain crop which reaches the heading stage, (b) planted on new ground acreage, or (c) planted in excess of the allotment, permitted acreage, or any other acreage limitation established under any program administered by the Secretary of Agriculture but destroyed by natural causes or by the insured and not considered as cotton under the provisions of such program.

3. *Annual premium.* (a) There will be a reduction in the annual cotton premium for each insurance unit of four percent for each full hundred acres of insured acreage on the unit, provided, however, that the total reduction shall not exceed 20 percent.

(b) If the insured is not eligible for the reduction provided in section 4 (c) of the policy, the insured's annual cotton premium may be reduced 25 percent for any year if it is determined by the Corporation that the accumulated balance (expressed in pounds) of premiums over indemnities on consecutively insured cotton crops preceding the current crop year exceeds his total coverage computed on a harvested acreage basis.

Nothing in this paragraph (b) shall create in the insured any right to a reduced premium.

(c) Subject to section 5 of the policy, the amount of the premium determined for an insurance unit shall not exceed 50 percent of the applicable coverage for the insurance unit.

4. *Coverage per acre.* The coverage per acre is progressive by stages which are: (a) First Stage—after it is too late to plant cotton but before the first cultivation, (b) Second Stage—after the first cultivation but before laying by, (c) Third Stage—after laying by but before harvest, or (d) Fourth Stage—after harvest and to the end of the insurance period. *Provided, however*, And notwithstanding section 8 (c) of this endorsement or any other provisions of the contract, acreage on which the Corporation determines the cotton crop has been damaged to the extent that farmers generally in the area where the land is located would not further care for the crop or harvest any portion thereof, shall be deemed to have been destroyed at the time of such damage even though the cotton crop on such acreage was further cared for or harvested. The coverage applicable to such acreage shall be that established for the stage reached by the crop at the time of such damage as determined by the Corporation.

5. *Insurance period.* Insurance on any insured acreage shall attach at the time the cotton is planted and, with respect to any portion of the crop, shall cease upon removal from the field, upon being housed, or upon disposal of the unharvested crop or transfer of interest in unharvested cotton after harvest has commenced, but in no event shall insurance remain in effect later than the applicable date set forth below immediately following the beginning of the normal harvest period:

Alabama:	
Randolph, Clay, Talladega, Shelby, Tuscaloosa and Pickens Counties, and all Alabama counties lying south thereof.....	Nov. 15
All other Alabama counties.....	Dec. 15
Arkansas, Georgia, and South Carolina:	
Do.....	Do.
Arizona and California.....	Jan. 31
Louisiana.....	Nov. 30
Mississippi:	
Noxubee, Winston, Attala, Holmes, Yazoo and Issaquena Counties, and all Mississippi counties lying south thereof.....	Do.
All other Mississippi counties.....	Dec. 15
New Mexico, North Carolina, Oklahoma, and Tennessee:	
Do.....	Dec. 31
Texas:	
Jackson, Victoria, Goliad, Bee, Live Oak, Atascosa, Medina, Uvalde, and Kinney Counties, and all Texas counties lying south thereof.....	Sept. 30
Andrews, Martin, Howard, Mitchell, Scurry, Kent, Dickens, Motley, Hall, and Collingsworth Counties, and all Texas counties lying north and west thereof.....	Dec. 31
All other Texas counties.....	Nov. 30

6. *Life of contract, cancellation, or termination thereof.* Notwithstanding section 15 (b) of the policy, insurance may be provided in any crop year to any person who canceled his contract for that crop year and who applies for insurance to cover (a) an interest (individual or sharecroppers') not covered by the canceled contract, or (b) both the individual and sharecropper's interests where only one such interest was covered under the canceled contract.

7. *Claims for loss.* (a) The cotton stalks on any acreage with respect to which a loss is claimed, shall not be destroyed until the Corporation makes an inspection.

(b) Notwithstanding section 11 (c) of the policy, the total production to be counted for an insurance unit shall not include any harvested production destroyed due to insurable causes occurring within the insurance period before being housed or removed from the field.

(c) Notwithstanding section 11 (c) of the policy regarding the determination of the production to be counted, in any case where the quality of any cotton production is reduced solely by insured causes to the extent that the value per pound, as determined by the Corporation, is less than 75 percent of the fixed price for the county, the number of pounds of such poor quality cotton shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton, as determined by the Corporation, by 75 percent of the fixed price for the county.

(d) In determining any loss under the contract, production shall be valued at the fixed price.

8. *Meaning of terms.* For purposes of insurance on cotton the terms:

(a) "Cotton" means only a crop of American Upland cotton and does not include cotton planted primarily for experimental purposes.

(b) "First cultivation" means the first tillage of the cotton after it is up, which must be performed with an implement (other than a spike tooth or section harrow, rotary hoe, or stalk cutter) designed for use on individual cotton rows for the purpose of working the ground close to the plants.

(c) "Harvest" means the removal of seed cotton from the open cotton boll or the severance of the open cotton boll from the stalk by either manual or mechanical means. For the purpose of determining the stage of coverage, any acreage shall not be considered as harvested unless (1) the production of lint cotton actually harvested therefrom equals 10 percent or more of the coverage for such acreage in the fourth stage of production, and (2) the Corporation determines as authorized in section 4 of this endorsement that the acreage is eligible for the fourth stage of coverage.

(d) "Laying by" means the completion of the final cultivation, consistent with good farming practices, that would be necessary to carry the crop to harvest.

(e) "Insurance unit" notwithstanding section 21 (f) of the policy, means respectively all insurable acreage of cotton in the county (1) in which the insured has 100 percent interest, plus any acreage owned by him and worked for him by a share tenant or sharecropper, or (2) which is owned by the insured and rented to one tenant-operator, or (3) which is owned by one person and operated by the insured as a tenant-operator, or (4) which is owned by one person and worked by the insured as a share tenant or sharecropper. Land rented for cash or for a fixed commodity payment shall be considered as owned by the lessee.

(f) "New ground acreage" in all States except Arizona, California, and New Mexico, means acreage on which it was necessary to remove or deaden timber and remove undergrowth to carry out established cultural practices. Pasture land, other than woodland pasture, cleared of underbrush and brought into cultivation will not be considered new ground acreage. In Arizona, California, and New Mexico, "new ground acreage" means any acreage which has not been planted to a crop in any one of the previous three crop years, except that acreage in tame hay or rotation pasture during the previous crop year shall not be considered new ground acreage.

(g) "Sharecropper" or "share tenant" means a person other than an owner-operator or tenant-operator who works cotton under supervision of a farm operator and is en-

titled to receive a share of the crop or proceeds therefrom and includes a person employed on the farm of an owner-operator or tenant-operator who receives for his labor the entire interest of such owner-operator or tenant-operator in the cotton crop, or proceeds therefrom, produced on a specified acreage of such farm (for the purpose of the contract the owner-operator or tenant-operator of the farm shall be considered to have an interest in such acreage).

(h) "Tenant-operator" or "tenant" means a person who rents land from another person for a share of the cotton crop, or proceeds therefrom, produced on such land and is responsible for farm management with respect to the production of cotton on such acreage whether produced by his own or other person's labor.

(i) "Owner-operator" means a person who owns land and is responsible for farm management with respect to the production of cotton on such acreage whether produced by his own or other person's labor. Land rented for cash or a fixed commodity payment shall be considered owned by the lessee.

9. *Cancellation, termination for indebtedness and discount dates.* (a) For each year of the contract the cancellation date shall be the December 31 immediately preceding the beginning of the crop year for which the cancellation is to become effective.

(b) For each year of the contract the termination date for indebtedness shall be the following applicable date immediately preceding the beginning of the crop year for which the termination is to become effective:

Texas:

Jackson, Victoria, Goliad, Bee, Live Oak, Atascosa, Medina, Uvalde, and Kinney Counties, and all Texas counties lying south thereof.....	Feb. 28
All other Texas counties.....	Mar. 31
All other States.....	Mar. 31

(c) For each crop year of the contract, the discount date shall be the following applicable date immediately following the normal harvest period: January 31 for counties in Arizona, California, and New Mexico and for Andrews, Martin, Howard, Mitchell, Scurry, Kent, Dickens, Motley, Hall and Collingsworth Counties, Texas, and for all Texas counties lying north and west thereof; November 30 for all other Texas counties; December 31 for Oklahoma; and December 15 for all other counties.

§ 401.21 *The flax endorsement.* The provisions of the flax endorsement for the 1958 and succeeding crop years are as follows:

1. *Causes of loss insured against.* The insurance provided is against unavoidable loss of production due to wildlife, insect infestation, plant disease, earthquake, drought, flood, hail, wind, frost, freeze, lightning, fire, excessive rain, snow, hurricane, tornado, and any other unavoidable cause of loss due to adverse weather conditions.

2. *Insured crop.* Insurance shall not attach on acreage on which it is determined by the Corporation that flax is seeded with any other crop, except perennial grasses or legumes other than vetch, and no insurance shall attach to any acreage not seeded to flax for harvest as seed as determined by the Corporation.

3. *Annual premium.* If the insured is not eligible for the reduction provided in section 4 (c) of the policy, the insured's annual flax premium may be reduced 25 percent for any year if it is determined by the Corporation that the accumulated balance (expressed in bushels) of premiums over indemnities on consecutively insured flax crops preceding the current crop year exceeds his total coverage computed on a harvested coverage basis.

Nothing in this paragraph shall create in the insured any right to a reduced premium.

4. *Coverage per acre.* The coverage per acre is progressive depending upon whether the acreage is (a) First Stage—seeded to a substitute crop when the Corporation has consented that the acreage be put to another use, (b) Second Stage—not harvested and not seeded to a substitute crop, or (c) Third Stage—harvested.

5. *Insurance period.* Insurance on any insured acreage shall attach at the time the flax is seeded and shall cease upon threshing or removal from the field, whichever occurs first, but in no event shall insurance remain in effect later than October 31 of the calendar year in which the flax is normally harvested.

6. *Claims for loss.* In determining any loss under the contract, production shall be valued at the fixed price. However, any threshed flax which (1) does not grade No. 2 or better (determined in accordance with Official Grain Standards of the United States) because of poor quality due to insurable causes occurring within the insurance period and would not meet these grade requirements if properly handled, and (2) has a value per bushel which is less than the lower of the fixed price or the Commodity Credit Corporation county loan rate for No. 2 flax, shall be valued by the Corporation at a price not in excess of the fixed price: *Provided*, When the Commodity Credit Corporation county loan rate for No. 2 flax is less than the fixed price, the total value of such threshed flax, as determined by the Corporation, shall be adjusted by dividing it by such loan rate and multiplying the result by the fixed price.

7. *Meaning of terms.* For purposes of insurance on flax the term:

(a) "Harvest" means the mechanical severance from the land of matured flax for threshing where the flax crop has not been destroyed.

8. *Cancellation, termination for indebtedness and discount dates.* (a) For each year of the contract the cancellation date shall be the December 31 and the termination date for indebtedness shall be the March 31 immediately preceding the beginning of the crop year for which the cancellation or termination is to become effective.

(b) For each crop year of the contract the discount date shall be the November 30 of the calendar year in which the flax is normally harvested.

§ 401.22 *The soybean endorsement.* The provisions of the soybean endorsement for the 1958 and succeeding crop years are as follows:

1. *Causes of loss insured against.* The insurance provided is against unavoidable loss of production due to wildlife, insect infestation, plant disease, earthquake, drought, flood, hail, wind, frost, freeze, lightning, fire, excessive rain, snow, hurricane, tornado, and any other unavoidable cause of loss due to adverse weather conditions.

2. *Insured crop.* Insurance shall not attach on acreage on which it is determined by the Corporation that soybeans are (a) planted for hay, (b) planted in rows too close for cultivation (except in Ohio), (c) planted for the development of hybrid seed, or (d) planted in the same row or interplanted in rows with corn, and no insurance shall attach to any acreage not planted to soybeans for harvest as beans as determined by the Corporation.

3. *Coverage per acre.* The coverage per acre is progressive depending upon whether the acreage is (a) First Stage—unharvested, or (b) Second Stage—harvested.

4. *Insurance period.* Insurance on any insured acreage shall attach at the time the soybeans are planted and shall cease upon threshing or removal from the field, whichever occurs first, but in no event shall insurance remain in effect later than December

10 of the calendar year in which the soybeans are normally harvested.

5. *Claims for loss.* (a) The total production to be counted shall include any harvested production from acreage initially planted for purposes other than for harvest as beans as determined by the Corporation.

(b) In determining any loss under the contract, production shall be valued at the fixed price. However, any threshed soybeans which (1) do not grade No. 4 or better (determined in accordance with Official Grain Standards of the United States) because of poor quality due to insurable causes occurring within the insurance period and would not meet these grade requirements if properly handled, and (2) has a value per bushel which is less than the lower of the fixed price or the Commodity Credit Corporation county loan rate for No. 4 soybeans, shall be valued by the Corporation at a price not in excess of the fixed price: *Provided*, When the Commodity Credit Corporation county loan rate for No. 4 soybeans is less than the fixed price, the total value of such threshed soybeans, as determined by the Corporation, shall be adjusted by dividing it by such loan rate and multiplying the result by the fixed price.

6. *Meaning of terms.* For purposes of insurance on soybeans the term:

(a) "Harvest" means the mechanical severance from the land of matured soybeans for threshing where the soybean crop has not been destroyed.

7. *Cancellation, termination for indebtedness and discount dates.*

(a) For each year of the contract the cancellation date shall be the December 31 and the termination date for indebtedness shall be the April 30 immediately preceding the beginning of the crop year for which the cancellation or the termination is to become effective.

(b) For each crop year of the contract the discount date shall be the November 30 of the calendar year in which the soybeans are normally harvested.

§ 401.23 *The tobacco endorsement.* The provisions of the tobacco endorsement for the 1958 and succeeding crop years are as follows:

1. *Causes of loss insured against.* The insurance provided is against unavoidable loss of production due to wildlife, insect infestation, plant disease, pole burn, earthquake, drought, flood, hail, wind, frost, freeze, lightning, fire, excessive rain, snow, hurricane, tornado, and any other unavoidable cause of loss due to adverse weather conditions.

2. *Insured crop.* Insurance shall not be considered to have attached on acreage on which it is determined by the Corporation that tobacco is destroyed for the purpose of conforming with any other program administered by the Secretary of Agriculture.

3. *Coverage per acre.* The coverage per acre is progressive depending upon whether the acreage is (a) First Stage—unharvested, or (b) Second Stage—harvested. *Provided*, however, and notwithstanding section 9 (a) of this endorsement or any other provisions of the contract, acreage on which the Corporation determines the tobacco crop has been damaged to the extent that farmers generally in the area where the land is located would not further care for the crop or harvest any portion thereof, shall not be eligible for harvested coverage even though the tobacco crop on such acreage may be harvested.

4. *Insurance period.* Insurance on any insured acreage shall attach at the time the tobacco is planted and, with respect to any portion of the crop, shall cease upon weighing-in at the tobacco warehouse, transfer of interest in the tobacco after harvest, or removal of the tobacco from the insurance unit (except for curing, grading, packing, or immediate delivery to the tobacco ware-

house), whichever occurs first, but in no event shall insurance remain in effect (1) for the following types later than the applicable date set forth following the normal harvest period:

Type of tobacco:	Date
11-----	Jan. 31
12-----	Dec. 31
13-----	Nov. 30
14-----	Sept. 30
21, 22, 23, 37, 41, 54 and 55-----	Mar. 31
31, 35, 36, 51 and 52-----	Feb. 28

and (2) for type 32 tobacco, the August 31 of the next succeeding calendar year following the calendar year in which the crop was planted.

5. *Notice of loss or substantial damage.*

(a) Where tobacco is not sold through auction warehouses, if after curing the tobacco it appears probable that a loss on any insurance unit under the contract will be sustained, notice in writing shall be given to the Corporation at the county office to allow the Corporation time to make an inspection before the crop is sold, contracted to be sold, or otherwise disposed of.

(b) In lieu of the provisions of section 8 (b) of the policy if, at the completion of selling or otherwise disposing of the insured tobacco, a loss on an insurance unit under the contract is probable, notice in writing shall be given within 15 days to the Corporation at the county office but in no event shall such notice be given later than the calendar date for the end of the insurance period.

6. *Claims for loss.* (a) Notwithstanding section 11 (a) of the policy, any claim for loss on an insurance unit shall be submitted to the Corporation, on a form prescribed by the Corporation, not later than 60 days after the amount of loss can be determined, but in no event shall such form be submitted later than (1) the last day of the next succeeding month following the calendar date shown in section 4 of this endorsement for the end of the insurance period except for types 41, 54 and 55 tobacco, and (2) the last day of the second succeeding month following the calendar date shown in section 4 of this endorsement for the end of the insurance period for types 41, 54 and 55 tobacco.

(b) In determining any loss under the contract, production shall be valued as follows: (1) the gross returns (less warehouse charges) from the tobacco sold on the warehouse floor, (2) the fair market value, as determined by the Corporation, of the tobacco sold other than on the warehouse floor, (3) the fair market value, as determined by the Corporation, of the tobacco harvested and not sold, and (4) the fair market value (if harvested and cured), as determined by the Corporation, of any unharvested tobacco. Any appraisals of production made for poor farming practices, uninsured causes of loss, or for acreage abandoned or put to another use without the consent of the Corporation shall be valued at (1) the market price where coverages are expressed in pounds on the county actuarial table, and (2) the price shown on the county actuarial table for this purpose where coverages are expressed in dollars on the county actuarial table.

(c) To enable the Corporation to determine the fair market value of tobacco not sold through auction warehouses, the Corporation shall be given the opportunity to inspect such tobacco before it is sold, contracted to be sold, or otherwise disposed of by the insured and, if the best offer received by the insured for any such tobacco is considered by the Corporation to be inadequate, to obtain additional offers therefor on behalf of the insured.

7. *Life of contract, cancellation, or termination thereof.* (a) Notwithstanding section 15 (b) of the policy, insurance may be provided in any crop year to any person who canceled his contract for that crop year and who applies for insurance to cover (1) an

interest (individual or sharecroppers') not covered by the canceled contract, or (2) both the individual and sharecroppers' interests where only one such interest was covered under the canceled contract.

(b) Notwithstanding section 15 (a) of the policy, the contract shall not terminate because a premium due on type 32 tobacco planted in the preceding calendar year remains unpaid.

8. *Other insurance.* Notwithstanding section 14 of the policy, the Corporation shall only be liable for loss due to fire for the smaller of either (1) the amount of indemnity determined pursuant to this contract without regard to any other insurance, or (2) the amount by which the loss from such risk exceeds the indemnity paid or payable under such other insurance.

9. *Meaning of terms.* For purposes of insurance on tobacco the terms:

(a) "Harvest" means cutting or priming the tobacco. For the purpose of determining the stage of coverage, acreage shall not be considered as harvested unless (1) the production of tobacco actually harvested therefrom equals 10 percent or more of the harvested pound coverage for such acreage: *Provided*, Where the coverage is shown on the county actuarial table in dollars, the pound equivalent shall be obtained for making this determination by dividing the dollar coverage by the price shown on the county actuarial table for this purpose, and (2) the Corporation determines as authorized in section 3 of this endorsement that the acreage is eligible for harvested stage coverage.

(b) "Insurance unit", notwithstanding section 21 (f) of the policy, means respectively (1) all insurable acreage in the county of an insurable type of tobacco in which one person at the time of planting has the entire interest in the crop, or (2) all such insurable acreage in the county in which two or more persons at the time of planting have the entire interest in the crop, excluding any other acreage of tobacco in the county in which such persons together do not have the entire interest in the crop.

(c) "Market price" for a crop year in the case of tobacco of (1) types 11, 12, 13, 14, 21, 22, 23, 31, 32, 35, 36 and 37 means the average auction price for the applicable type (less warehouse charges) in the belt or area, as determined by the Corporation, and (2) types 41, 51, 52, 54 and 55 means the average price for the applicable type in the belt or area as determined by the Corporation: *Provided*, That, in those counties where so provided on the county actuarial table, the market price for the purpose of this contract shall be limited to not more than 125 percent and to not less than 75 percent of a price shown on the county actuarial table for this purpose. The market price when determined by the Corporation shall be filed in the county office with the county actuarial table.

(d) "Owner-operator" means a person who owns land and is responsible for farm management with respect to the production of tobacco on such acreage whether produced by his own or other person's labor. Land rented for cash or for a fixed commodity payment shall be considered owned by the lessee.

(e) "Planting" means transplanting the tobacco plant from the plant ~~bed~~ to the field.

(f) "Tenant-operator" means a person who rents land from another person for a share of the tobacco crop, or proceeds therefrom, produced on such land and is responsible for farm management with respect to the production of tobacco on such acreage whether produced by his own or other person's labor.

(g) "Sharecropper" or "share tenant" means a person other than an owner-operator or tenant-operator who works tobacco

under supervision of a farm operator and is entitled to receive a share of the crop or proceeds therefrom and includes a person employed on the farm of an owner-operator or tenant-operator who receives for his labor the entire interest of such owner-operator or tenant-operator in the tobacco crop, or proceeds therefrom, produced on a specified acreage of such farm (for the purpose of the contract the owner-operator or tenant-operator of the farm shall be considered to have an interest in such acreage).

10. *Cancellation, termination for indebtedness and discount dates.* For each year of the contract the cancellation date shall be the January 31 immediately preceding the beginning of the crop year for which the cancellation is to become effective. For each crop year of the contract the discount date shall be the following applicable date immediately following the normal harvest period, except that the discount date for type 32 tobacco shall be the August 31 of the next succeeding calendar year following the calendar year in which the crop was planted, and the termination date for indebtedness shall be the following applicable date immediately preceding the beginning of the crop year for which the termination is to become effective:

Type of tobacco	Discount date ¹	Termination date
11a, 11b, and 12	Dec. 15	Apr. 30
13	Nov. 30	Mar. 31
14	Sept. 30	Do.
21 and 37	Jan. 31	Apr. 30
31—All States (except North Carolina and Virginia)	Feb. 28	Do.
31—North Carolina and Virginia	Jan. 31	Do.
32	Aug. 31	Do.
22 and 23	Mar. 31	Do.
35 and 36	Feb. 28	Do.
41, 51, 52, 54, and 55	May 31	May 31

¹ In case 2 or more types of tobacco are insured under the contract, the earliest date for any type of tobacco insured shall apply to the entire tobacco premium for the contract.

§ 401.24 *The wheat endorsement.* The provisions of the wheat endorsement for the 1958 and succeeding crop years are as follows:

1. *Causes of loss insured against.* The insurance provided is against unavoidable loss of production due to wildlife, insect infestation, plant disease, earthquake, drought, flood, hail, wind, frost, freeze, winter-kill, lightning, fire, excessive rain, snow, hurricane, tornado, and any other unavoidable cause of loss due to adverse weather conditions.

2. *Insured crop.* Insurance shall not attach on acreage on which it is determined by the Corporation that wheat is (a) seeded with flax or other small grains, vetch, Austrian winter peas, or dry edible peas, or (b) seeded on new ground acreage in counties where the cancellation date is March 15, and no insurance shall attach to any acreage not seeded to wheat for harvest as grain as determined by the Corporation.

3. *Annual premium.* (a) There will be a reduction in the annual wheat premium for each insurance unit of 4 percent for the first full 200 acres of insured wheat acreage on the unit and an additional 2 percent reduction for each additional full 100 acres: *Provided, however,* That the total reduction shall not exceed 20 percent.

(b) Whether or not the insured is eligible for the reduction provided in section 4 (c) of the policy, the insured's annual wheat premium may be reduced in lieu thereof for any year by not to exceed 50 percent if it is determined by the Corporation that the accumulated balance (expressed in bushels) of premiums over indemnities on consecu-

tively insured wheat crops preceding the current crop year exceeds his total coverage computed on a harvested coverage basis. Nothing in this paragraph (b) shall create in the insured any right to a reduced premium.

4. *Coverage per acre.* The coverage per acre is progressive depending upon whether the acreage is (a) First Stage—seeded to a substitute crop when the Corporation has consented that the acreage be put to another use, (b) Second Stage—not harvested and not seeded to a substitute crop, or (c) Third Stage—harvested, except that in those counties where so shown on the county actuarial table the coverage per acre shall be progressive depending upon whether the acreage is (a) First Stage—not harvested, or (b) Second Stage—harvested.

5. *Insurance period.* Insurance on any insured acreage shall attach at the time the wheat is seeded and shall cease upon threshing or removal from the field, whichever occurs first, but in no event shall insurance remain in effect later than October 31 of the calendar year in which the wheat is normally harvested.

6. *Claims for loss.* (a) The total production to be counted shall include any harvested production from acreage initially seeded for purposes other than for harvest as grain as determined by the Corporation.

(b) In determining total production volunteer small grains, volunteer Austrian winter peas, volunteer dry edible peas, and volunteer vetch growing with the seeded wheat crop, and small grains seeded in the growing wheat crop on acreage on which the Corporation has not given its consent to be put to another use, shall be counted as wheat on a weight basis.

(c) In determining any loss under the contract, production shall be valued at the fixed price. However, any threshed wheat which (1) does not grade No. 3 or better and does not grade No. 4 or 5 on the basis of test weight only (determined in accordance with the Official Grain Standards of the United States) because of poor quality due to insurable causes occurring within the insurance period and would not meet these grade requirements if properly handled, and (2) has a value per bushel which is less than the lower of the fixed price or the Commodity Credit Corporation county loan rate for No. 5 wheat on the basis of test weight, shall be valued by the Corporation at a price not in excess of the fixed price: *Provided,* When the Commodity Credit Corporation county loan rate for No. 5 wheat on the basis of test weight is less than the fixed price, the total value of such threshed wheat, as determined by the Corporation, shall be adjusted by dividing it by such loan rate and multiplying the result by the fixed price.

7. *Meaning of terms.* For purposes of insurance on wheat the terms:

(a) "Harvest" means the mechanical severance from the land of matured wheat for threshing where the wheat crop has not been destroyed.

(b) "New ground acreage" means any acreage which has not been planted to a crop in any one of the previous three crop years, except (1) acreage in tame hay or rotation pasture during the previous crop year, and (2) (applicable only in Montana) any acreage which has been properly summer fallowed the previous crop year in accordance with good farming practices in the area shall not be considered new ground acreage.

8. *Cancellation, termination for indebtedness and discount dates.*

(a) For each year of the contract the cancellation date and termination date for indebtedness are the following applicable dates immediately preceding the beginning of the crop year for which the cancellation or the termination is to become effective: *Provided, however,* That for the purposes of determining the applicable cancellation and termination dates only, and notwithstanding

section 21 (e) of the policy, the crop year for spring planted wheat insured in all counties with a March 15 cancellation date shall be considered to mean that period in which the winter wheat crop in such counties is normally planted and normally harvested, and shall be designated by reference to the calendar year in which the crop is normally harvested.

State and county	Cancellation date	Termination date for indebtedness
Minnesota and North Dakota	Dec. 31	Mar. 31
Montana: Daniels, Dawson, McCone, Phillips, Richland, Roosevelt, Sheridan and Valley Counties	Do.	Do.
All other Montana counties	Mar. 15	Mar. 15
South Dakota: Bennett, Jones, Lyman, Meade, Mellette and Tripp Counties	Do.	Do.
All other South Dakota counties	Dec. 31	Mar. 31
All other States	Mar. 15	Mar. 15

(b) For each crop year of the contract the discount date shall be the November 30 of the calendar year in which the wheat is normally harvested.

NOTE: The reporting and record-keeping requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Adopted by the Board of Directors on July 3, 1957.

[SEAL] F. N. MCCARTNEY,
Secretary,
Federal Crop Insurance Corporation.

Approved on August 9, 1957.

MARVIN L. McLAIN,
Assistant Secretary.

[F. R. Doc. 57-6697; Filed, Aug. 14, 1957; 8:53 a.m.]

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

PART 911—MILK IN TEXAS PANHANDLE MARKETING AREA

ORDER AMENDING ORDER, AS AMENDED

§ 911.0 *Findings and determinations.* The findings and determinations herein after set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of the said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Texas Panhandle marketing area.

Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk, as determined pursuant to section 2 of the act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(3) The said order as hereby amended regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

(b) *Additional findings.* It is necessary in the public interest to make this order amending the order, as amended, effective not later than September 1, 1957. Any delay beyond that date in the effective date of this order amending the order, as amended, will impair the proper operation of the order and will seriously threaten the orderly marketing of milk in the Texas Panhandle marketing area inasmuch as the present Class I milk price provision in the order will expire on August 31, 1957. This amended order provides for the continuation of the Class I milk pricing provision currently in the order; thus, additional time is not needed for persons affected to prepare for its effective date. In view of the foregoing, it is hereby found and determined that good cause exists for making this order amending the order, as amended, effective September 1, 1957, and that it would be contrary to the public interest to delay the effective date of this amendment for 30 days after its publication in the FEDERAL REGISTER. (See section 4 (c), Administrative Procedure Act, 5 U. S. C. 1001 et seq.).

(c) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping milk covered by this order amending the order, as amended) of more than 50 percent of the milk covered by this order amending the order, as amended, which is marketed within the Texas Panhandle marketing area refused or failed to sign the proposed marketing agreement regulating the handling of milk in the said marketing area and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said proposed marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order amending the order, as amended, is the only practical means pursuant to the declared policy of the act of advancing the interests of producers of milk which is pro-

duced for sale in the marketing area; and

(3) The issuance of this order amending the order, as amended, is approved or favored by at least two-thirds of the producers who, during the determined representative period June 1957, were engaged in the production of milk for sale in the said marketing area.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Texas Panhandle marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, as follows:

Delete § 911.51 (a) and substitute therefor the following:

(a) *Class I milk price.* The Class I milk price shall be the basic formula price for the preceding month, plus \$2.15 during the months of July through February and plus \$1.85 during all other months.

(Sec. 5, 49 Stat. 653, as amended; 7 U. S. C. 608c)

Issued at Washington, D. C., this 9th day of August 1957, to be effective on and after September 1, 1957.

TRUE D. MORSE,
Acting Secretary.

[F. R. Doc. 57-6678; Filed, Aug. 14, 1957;
8:48 a. m.]

PART 927—MILK IN NEW YORK-NEW JERSEY MILK MARKETING AREA

ORDER TERMINATING CERTAIN PROVISION

Pursuant to the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), hereinafter referred to as the "Act", and of the order, as amended (7 CFR Part 927), regulating the handling of milk in the New York-New Jersey milk marketing area, hereinafter referred to as the "order", it is hereby found and determined that:

(a) The provision in paragraph (c) of § 927.82 of the order reading "outside the marketing area," which makes cream payments authorized by such paragraph applicable only if the plant of classification is outside the marketing area, does not tend to effectuate the declared policy of the Act with respect to cream handled in August 1957 and thereafter.

The provision renders said paragraph (c) unworkable and virtually meaningless and void since the amended order effective August 1, 1957 (22 F. R. 4643) provides (1) for expansion of the marketing area to include therein a substantial proportion of the plants which previously were outside the marketing area, and (2) for classification at plants in the area formerly defined as the marketing area (now the New York metropolitan district), whereas, heretofore milk and cream (with certain exceptions) shipped to a plant in that area was classified at the plant from which it was shipped.

(b) Notice of proposed rule making, public procedure thereon, and 30 days notice of the effective date hereof are impracticable, unnecessary and contrary to the public interest in that:

(1) The record of the hearing on the basis of which the amended order effective August 1, 1957, was issued fully justifies the amendment of said paragraph (c) of § 927.82 (by deletion of the words "outside the marketing area") as a coordinating amendment in view of the other amendments herein noted. Failure to so amend said paragraph was inadvertent;

(2) This termination order will have the effect of relieving regulated handlers of obligations which otherwise would be imposed under the order and does not require of persons affected any substantial or extensive preparation prior to its effective date; and

(3) The termination of said provision should be made effective without delay to insure equity among handlers engaged in handling cream in August 1957 and thereafter to which the provisions of § 927.82 (c) apply.

It is therefore ordered, That the provision "outside the marketing area" which appears in paragraph (c) of § 927.82 be and hereby is terminated.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Done at Washington, D. C., this 9th day of August 1957.

[SEAL]

TRUE D. MORSE,
Acting Secretary.

[F. R. Doc. 57-6677; Filed, Aug. 14, 1957;
8:48 a. m.]

TITLE 10—ATOMIC ENERGY

Chapter I—Atomic Energy Commission

PART 25—ACCESS TO RESTRICTED DATA

CONTROLLED THERMONUCLEAR PROCESSES

Since issuance of Part 25, 10 CFR, "Access to Restricted Data," each applicant for access permit authorizing access to Secret Restricted Data in categories designated in Appendix "A" to that part, has been required to demonstrate that he "has a need for such data in such business, trade or profession" (§ 25.15). On August 1, 1956 (21 F. R. 5733) the Atomic Energy Commission amended Part 25 to require that applicants for access to Secret Restricted Data in category C-20, "Controlled Thermonuclear Process," demonstrate also that they are engaged in a substantial effort to develop, design, build or operate a fission power reactor that is planned for construction; or that they are capable of making significant contributions to research and development in the controlled thermonuclear field.

The Commission has concluded that further amendment is appropriate to encourage more widespread participation by private individuals and organizations in research and development activities regarding controlled thermonuclear processes and to facilitate private investment in such activities.

The following amendments include also clarifying changes in the provisions published on August 1, 1956.

Since these amendments are intended to relieve from, rather than to impose restrictions, and are of a clarifying na-

ture, the Atomic Energy Commission has found that general notice of proposed rule making and public procedure thereon are unnecessary and that good cause exists why these amendments should be made effective without the customary period of notice.

Effective upon publication in the *FEDERAL REGISTER*, subparagraph (2) of § 25.15 (b) is amended to read as follows:

(2) An application for access to Secret Restricted Data in category C-20, Controlled thermonuclear processes, will be approved only if the application demonstrates also that the applicant:

(i) Is directly engaged in a substantial effort to develop, design, build or operate a fission power reactor that is planned for construction and is making or proposes to make, a comparative evaluation of fission and controlled thermonuclear processes for production of power; or

(ii) Possesses qualifications demonstrating that he is capable of making a significant contribution to research and development in the controlled thermonuclear field and is directly engaged in, or proposes to engage in, a substantial study program, or a substantial research and development program, in this field; or

(iii) Is furnishing to a permittee having access to C-20 under subdivision (i) of this subparagraph substantial financial assistance or substantial scientific, engineering, or other professional services to be used by said permittee in carrying out the activities for which said permittee received access to category C-20; or

(iv) Is furnishing to a permittee having access to C-20 under subdivision (ii) of this subparagraph substantial financial assistance or substantial scientific, engineering, or other professional services to be used by said permittee in the study or research and development program for which said permittee received access to category C-20.

(Sec. 161, 68 Stat. 948; 42 U. S. C. 2201)

Dated at Washington, D. C., this 9th day of August 1957.

K. E. FIELDS,
General Manager.

[F. R. Doc. 57-6734; Filed, Aug. 14, 1957;
8:49 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

[Civil Air Regs., Amdt. 40-7]

PART 40—SCHEDULED INTERSTATE AIR CARRIER CERTIFICATION AND OPERATION RULES

INTERIOR EMERGENCY EXIT MARKING LIGHTS

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 9th day of August 1957.

Currently effective § 40.173 (f) (2) of Part 40 of the Civil Air Regulations requires that, on all airplanes used for scheduled interstate air transportation at night, a source or sources of light with an emergency energy supply independent of the main lighting system be installed to illuminate all emergency exit mark-

ings. This particular requirement was adopted by the Board in November of 1955 in an amendment concerning emergency and evacuation equipment and procedures. The Board adopted this rule to increase safety in the evacuation of airplanes. It was the Board's intention that through this amendment all passenger-carrying airplanes would be equipped with lights installed so as to illuminate all emergency exits in such a manner as to attract the attention of the occupants at night and thus expedite evacuation. The Board intended that this requirement should apply specifically to passenger-carrying airplanes as is borne out by the history of the amendment and the preamble thereto. However, this provision is so worded as to be applicable to all airplanes whether engaged in passenger or cargo operations under Part 40.

The Board has been requested to clarify its intent with respect to this provision insofar as its applicability to airplanes used in night cargo operations is concerned. A careful review of the development of the emergency and evacuation equipment and procedure amendment reveals very clearly that the concern of all interested parties was directed almost exclusively to passenger-carrying airplanes. This is particularly apparent with respect to the emergency exit marking lighting requirements, the object of which is to insure, in the case of a crash landing or of a ditching at night, that the passengers and crew may be able to identify and operate emergency exits thus expediting evacuation of the airplane. In airplanes used solely for the carrying of cargo, the problem of locating and operating emergency exits during a ditching or crash landing at night is not comparable to that encountered in passenger operations. Properly qualified crews are so familiar with every feature of the airplane, and the emergency exits which they would normally use are so close at hand, that special lighting for these exits is unnecessary. Furthermore, airline crews typically carry flashlights. All existing large airplane types used in this type of operation have an exit or loading door located immediately aft of the flight deck and the cockpit windows in most cases provide an additional means of crew evacuation. Furthermore, a survey of accidents involving night cargo operations indicates that there have been no difficulties in crew evacuation that would indicate a need for emergency illumination facilities for the emergency exits.

In view of the foregoing, § 40.173 (f) (2) is being amended to reflect the intent of the Board that the emergency lighting requirements apply only to passenger-carrying airplanes.

Since this amendment is minor in nature and imposes no additional burden on any person, notice and public procedure hereon are unnecessary, and it may be made effective without prior notice.

In consideration of the foregoing, the Civil Aeronautics Board hereby amends Part 40 of the Civil Air Regulations (14 CFR Part 40, as amended) effective August 9, 1957:

By amending § 40.173 (f) (2) by adding after the words "August 31, 1957" the words "in all passenger-carrying airplanes".

(Sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interprets or applies secs. 601, 604, 605, 52 Stat. 1007, 1010, as amended; 49 U. S. C. 551, 554, 555)

Effective: August 9, 1957.

Adopted: August 9, 1957.

By the Civil Aeronautics Board.

[SEAL]

M. C. MULLIGAN,
Secretary.

[F. R. Doc. 57-6712; Filed, Aug. 14, 1957;
8:47 a. m.]

[Civil Air Regs., Amdt. 41-13]

PART 41—CERTIFICATION AND OPERATION RULES FOR SCHEDULED AIR CARRIER OPERATIONS OUTSIDE THE CONTINENTAL LIMITS OF THE UNITED STATES

INTERIOR EMERGENCY EXIT MARKING LIGHTS

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 9th day of August 1957.

Currently effective § 41.23d (b) (2) of Part 41 of the Civil Air Regulations requires that, on all airplanes used for scheduled air carrier operations outside the continental limits of the United States at night, a source or sources of light with an emergency energy supply independent of the main lighting system be installed to illuminate all emergency exit markings. This particular requirement was adopted by the Board in November 1955 in an amendment concerning emergency and evacuation equipment and procedures. The Board adopted this rule to increase safety in the evacuation of airplanes. It was the Board's intention that through this amendment all passenger-carrying airplanes would be equipped with lights installed so as to illuminate all emergency exits in such a manner as to attract the attention of the occupants at night and thus expedite evacuation. The Board intended that this requirement should apply specifically to passenger-carrying airplanes as is borne out by the history of the amendment and the preamble thereto. However, this provision is so worded as to be applicable to all airplanes whether engaged in passenger or cargo operations under Part 41.

The Board has been requested to clarify its intent with respect to this provision insofar as its applicability to airplanes used in night cargo operations is concerned. A careful review of the development of the emergency and evacuation equipment and procedure amendment reveals very clearly that the concern of all interested parties was directed almost exclusively to passenger-carrying airplanes. This is particularly apparent with respect to the emergency exit marking lighting requirements, the object of which is to insure, in the case of a crash landing or of a ditching at night, that the passengers and crew may be able to identify and operate emergency exits thus expediting evacuation of the airplane. In airplanes used solely for the

carrying of cargo, the problem of locating and operating emergency exits during a ditching or crash landing at night is not comparable to that encountered in passenger operations. Properly qualified crews are so familiar with every feature of the airplane, and the emergency exits which they would normally use are so close at hand, that special lighting for these exits is unnecessary. Furthermore, airline crews typically carry flashlights. All existing large airplane types used in this type of operation have an exit or loading door located immediately aft of the flight deck and the cockpit windows in most cases provide an additional means of crew evacuation. Furthermore, a survey of accidents involving night cargo operations indicates that there have been no difficulties in crew evacuation that would indicate a need for emergency illumination facilities for the emergency exits.

In view of the foregoing, § 41.23d (b) (2) is being amended to reflect the intent of the Board that the emergency lighting requirements apply only to passenger-carrying airplanes.

Since this amendment is minor in nature and imposes no additional burden on any person, notice and public procedure hereon are unnecessary, and it may be made effective without prior notice.

In consideration of the foregoing, the Civil Aeronautics Board hereby amends Part 41 of the Civil Air Regulations (14 CFR Part 41, as amended) effective August 9, 1957:

By amending § 41.23d (b) (2) by adding after the words "August 31, 1957" the words "in all passenger-carrying airplanes".

(Sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interprets or applies secs. 601, 604, 605, 52 Stat. 1007, 1010, as amended; 49 U. S. C. 551, 554, 555)

Effective: August 9, 1957.

Adopted: August 9, 1957.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 57-6713; Filed, Aug. 14, 1957;
8:47 a. m.]

[Civil Air Regs., 42-12]

PART 42—IRREGULAR AIR CARRIER AND OFF-ROUTE RULES

INTERIOR EMERGENCY EXIT MARKING LIGHTS

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 9th day of August 1957.

Currently effective § 42.24c (b) (2) of Part 42 of the Civil Air Regulations requires that, on all large aircraft used for irregular air carrier and off-route air transportation at night, a source or sources of light with an emergency energy supply independent of the main lighting system be installed to illuminate all emergency exit markings. This particular requirement was adopted by the Board in November of 1955 in an amendment concerning emergency and evacuation equipment and procedures. The

Board adopted this rule to increase safety in the evacuation of aircraft. It was the Board's intention that through this amendment all large passenger-carrying aircraft would be equipped with lights installed so as to illuminate all emergency exits in such a manner as to attract the attention of the occupants at night and thus expedite evacuation. The Board intended that this requirement should apply specifically to passenger-carrying aircraft as is borne out by the history of the amendment and the preamble thereto. However, this provision is so worded as to be applicable to all large aircraft whether engaged in passenger or cargo operations under Part 42.

The Board has been requested to clarify its intent with respect to this provision insofar as its applicability to large aircraft used in night cargo operations is concerned. A careful review of the development of the emergency and evacuation equipment and procedure amendment reveals very clearly that the concern of all interested parties was directed almost exclusively to passenger-carrying aircraft. This is particularly apparent with respect to the emergency exit marking lighting requirements, the object of which is to insure, in the case of a crash landing or of a ditching at night, that the passengers and crew may be able to identify and operate emergency exits thus expediting evacuation of the aircraft. In airplanes used solely for the carrying of cargo, the problem of locating and operating emergency exits during a ditching or crash landing at night is not comparable to that encountered in passenger operations. Properly qualified crews are so familiar with every feature of the airplane, and the emergency exits which they would normally use are so close at hand, that special lighting for these exits is unnecessary. Furthermore, airline crews typically carry flashlights. All existing large airplane types used in this type of operation have an exit or loading door located immediately aft of the flight deck and the cockpit windows in most cases provide an additional means of crew evacuation. Furthermore, a survey of accidents involving night cargo operations indicates that there have been no difficulties in crew evacuation that would indicate a need for emergency illumination facilities for the emergency exits.

In view of the foregoing, § 42.24c (b) (2) is being amended to reflect the intent of the Board that the emergency lighting requirements apply only to passenger-carrying aircraft.

Since this amendment is minor in nature and imposes no additional burden on any person, notice and public procedure hereon are unnecessary, and it may be made effective without prior notice.

In consideration of the foregoing, the Civil Aeronautics Board hereby amends Part 42 of the Civil Air Regulations (14 CFR Part 42, as amended) effective August 9, 1957:

By amending § 42.24c (b) (2) by deleting the words "in large aircraft" in the first sentence thereof and adding after the words "August 31, 1957" in the

first sentence, the words "in all large passenger-carrying aircraft".

(Sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interprets or applies secs. 601, 604, 605, 52 Stat. 1007, 1010, as amended; 49 U. S. C. 551, 554, 555)

Effective: August 9, 1957.

Adopted: August 9, 1957.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 57-6714; Filed, Aug. 14, 1957;
8:47 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 6746]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

AFFILIATED BROKERS, INC., ET AL.

Subpart—Advertising falsely or misleadingly: § 13.15 Business status, advantages, or connections: Bonded business; customer connection; financial condition; individual or private business as cooperative; service; § 13.143 Opportunities; § 13.185 Refunds, repairs, and replacements. Supart—Misrepresenting oneself and goods—Business status, advantages or connections: § 13.1368 Bonded business; § 13.1397 Customer connection; § 13.1415 Financial condition; § 13.1448 Individual or private business as cooperative or corporation; [Misrepresenting oneself and goods]—Goods: § 13.1697 Opportunities in product or service; § 13.1725 Refunds. Subpart—Using misleading name—Vendor: § 13.2360 Bonded business; § 13.2425 Nature, in general.

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, Affiliated Brokers, Inc., Chicago, Ill., Docket 6746, July 17, 1957]

In the Matter of Affiliated Brokers, Inc., a Corporation, Business Co-Op, Inc., a Corporation, and William John Madone, Individually and as an Officer of Each of Said Corporations

This proceeding was heard by a hearing examiner on the complaint of the Commission charging two Chicago real estate advertising firms and their common officer with representing falsely through oral and written statements and by the wording of the corporate names that they were bona fide business brokers or a cooperative organization engaged in the sale of business establishments, that they had ready purchasers, and would guarantee sale of a property or refund the substantial service fee they collected.

Following approval of an agreement between the parties containing a consent order, the hearing examiner made his initial decision and order to cease and desist which became on July 17 the decision of the Commission.

¹ Amended to read as set forth.

The order to cease and desist is as follows:

It is ordered, That respondent Affiliated Brokers, Inc., a corporation, and its officers, and Business Co-op, Inc., a corporation, and its officers, and William John Madone, individually and as an officer of each of the said corporate respondents, and each of respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale or sale, in commerce, as "commerce" is defined in the Federal Trade Commission Act, of advertising in newspapers and in other advertising media and of other services and facilities in connection with the offering for sale, selling, buying or exchanging of business property or any other kind of property, do forthwith cease and desist from, directly or indirectly, representing:

1. That any sum of money deposited by a prospective seller of property with the respondents on condition that respondents will effect a sale of said property on expressed or implied conditions will be returned, unless said sum is in fact returned on the failure of respondents to comply with the conditions of the agreement;

2. That respondents have available qualified or ready purchasers for businesses unless such purchasers are in fact available;

3. That respondents will undertake the sale of property without risk, obligation or expense to the prospective seller;

4. That respondents have available through their own resources, the funds or facilities necessary to finance the sale and transfer of business property or other kinds of property or that respondents are in fact engaged in the business of financing the sale and transfer of such property.

It is further ordered, That said respondent Affiliated Brokers, Inc., a corporation, and its officers, and William John Madone, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device in connection with the offering for sale or sale, in commerce, as "commerce" is defined in the Federal Trade Commission Act, of advertising in newspapers and in other advertising media and of other services and facilities in connection with the offering for sale, selling, buying or exchanging of business property or any other kind of property, do forthwith cease and desist from, directly or indirectly, representing:

That they or their agents, representatives, and employees are bonded, licensed or insured with respect to or to engage in the operation of a brokerage business for the sale of business property or any other kind of property.

It is further ordered, That said respondent Business Co-Op, Inc., a corporation, and its officers, and William John Madone, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale or sale, in

commerce, as "commerce" is defined in the Federal Trade Commission Act, of advertising in newspapers and in other advertising media and of other services and facilities in connection with the offering for sale, selling, buying or exchanging of business property or any other kind of property, do forthwith cease and desist from:

Using the word "Co-Op" as a part of a corporate or trade name, or representing in any other way or by any other means, that they operate a cooperative business.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That the above-named respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: June 28, 1957.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F. R. Doc. 57-6708; Filed, Aug. 14, 1957;
8:46 a. m.]

[Docket 6774]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

SYDCO INDUSTRIES, INC., AND MORTON SPRINGER

Subpart—*Furnishing means and instrumentalities of misrepresentation or deception*: § 13.1056 *Preticketing merchandise*. Subpart—*Misbranding or mislabeling*: § 13.1212 *Formal regulatory and statutory requirements*: Wool Products Labeling Act. Subpart—*Misrepresenting oneself and goods*—Goods: § 13.1680 *Manufacture or preparation*; [Misrepresenting oneself and goods]—Prices: § 13.1810 *Fictitious marking*. Subpart—*Neglecting, unfairly or deceptively, to make material disclosure*: § 13.1845 *Composition*: Wool Products Labeling Act.

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, secs. 2-5, 54 Stat. 1128-1130; 15 U. S. C. 45, 68-68 (c)) [Cease and desist order, Sydc Industries, Inc., et al., New York, N. Y., Docket 6774, July 17, 1957]

This proceeding was heard by a hearing examiner on the complaint of the Commission charging a dealer in New York City with misbranding bed comforters by failing to disclose the nature of the fibers used in the covering materials and with marking containers of such comforters with fictitious prices and with the word "Mothproof".

Following approval of an agreement between the parties for a consent order, the hearing examiner made his initial decision and order to cease and desist which became on July 17 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondents Sydc Industries, Inc., a corporation, and its officers and Morton Springer, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of bed comforters or other "wool products" as such products are defined in and subject to said Wool Products Labeling Act, which products contain, purport to contain, or in any way are represented as containing "wool", "reprocessed wool" or "re-used wool" as these terms are defined in said act, do forthwith cease and desist from misbranding such products by:

Failing to securely affix to or place on each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner:

(a) The percentage of the total fiber weight of such wool products, exclusive of ornamentation not exceeding five percentum of said total fiber weight of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where such percentage by weight of such fiber is five percentum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool products of any non-fibrous loading, filling or adulterating matter;

(c) The name or the registered identification number of the manufacturer of such wool products or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

It is further ordered, That Sydc Industries, Inc., a corporation, and its officers and Morton Springer, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of bed comforters or any other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from directly or indirectly:

1. Representing in any manner that said bed comforters or any other products are mothproof, when such is not the fact.

2. Representing in any manner that various prices are the regular and usual retail prices of bed comforters or other products when such prices are in excess of the prices at which such bed comforters or other products are usually and regularly sold at retail.

3. Putting into operation any plan, or scheme, or furnishing any materials, devices, or promotional media whereby retailers or others may misrepresent the regular and usual retail prices of merchandise.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: June 28, 1957.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F. R. Doc. 57-6709; Filed, Aug. 14, 1957;
8:46 a. m.]

[Docket 6734]

PART 13—DIGEST OF CEASE AND DESIST
ORDERS

RENA-WARE DISTRIBUTORS, INC., ET AL.

Subpart—*Advertising falsely or misleadingly*: § 13.15 *Business status, advantages, or connections*: Operations as special or other advertising; personnel, or staff; producer status of dealer or seller; *Manufacturer*; Qualifications and abilities; § 13.20 *Comparative data or merits*; § 13.155 *Prices*: Usual as reduced, special, etc.; § 13.205 *Scientific or other relevant facts*. Subpart—*Furnishing means and instrumentalities of misrepresentation or deception*: § 13.1055 *Furnishing means and instrumentalities of misrepresentation or deception*.

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, Rena-Ware Distributors, Inc., et al., Opportunity, Wash., Docket 6734, July 17, 1957.]

In the Matter of Rena-Ware Distributors, Inc., a Corporation, Fred W. Zylstra, and Otto W. Zylstra, Individually and as Officers and Directors of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging distributors in Opportunity, Wash., of "Rena-Ware" stainless steel cooking utensils designed for so-called "waterless cooking", with making false representations—through their distributors and personal solicitors whom they supplied with sales training manuals, charts, cookbooks, brochures, and other advertising literature—as to the comparative merits, unique nature, and prices of their cooking utensils, the qualifications of their personnel, and their manufacturing status, among other things.

Following agreement between the parties containing a consent order, the hearing examiner made his initial decision and order to cease and desist which became on July 17 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondents, Rena-Ware Distributors, Inc., a corporation, and its officers, and Fred W. Zylstra and

Otto W. Zylstra, individually and as officers and directors of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution, in commerce as "commerce" is defined in the Federal Trade Commission Act, of stainless steel cooking utensils, or any other cooking utensils of substantially similar composition, design, construction, or purpose, do forthwith cease and desist from:

1. Representing, directly or by implication:

(a) That respondents' utensils are new or revolutionary or are the first or only utensils designed for both cooking and serving food;

(b) That respondents' utensils cook food at a lower temperature than do competing products, or that the results achieved by the use of their utensils are unique as compared with those achieved by the "waterless" method of cooking in other utensils;

(c) That respondents' sales personnel are members of their advertising department or are other than salesmen;

(d) That the offer to sell respondents' utensils is for the purpose of advertising, or that the prices at which their products are offered are special or reduced prices, when such is contrary to the fact;

(e) That respondents employ, or have employed, laboratory technicians, home economists, dietitians, or engineers, or have conducted research in connection with their utensils, or that respondents own, operate, or control a factory wherein their utensils are manufactured, when such is contrary to the fact;

(f) That all the vitamin and mineral content of food is retained when respondents' utensils and the "waterless" method of cooking are used: *Provided*, That nothing herein shall prevent respondents from representing that more vitamins and minerals are retained in food cooked in their utensils and using the "waterless" method of cooking than when cooked in other utensils requiring substantially larger quantities of water;

(g) That minerals in food are destroyed by heat when using any kind of cooking utensils or any method of cooking;

(h) That vitamins in food, other than Vitamin C and some elements of the Vitamin B complex, are destroyed or damaged by heat in cooking, or that these vitamins are destroyed or damaged by heat in cooking, except when subjected to prolonged high temperatures.

2. *Furnishing means or instrumentalities to others by and through which they may mislead and deceive the public respecting the matters set forth in paragraph 1 hereof.*

ROBERT L. PIPER,
Hearing Examiner.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form

in which they have complied with the order to cease and desist.

Issued: June 28, 1957.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F. R. Doc. 57-6710; Filed, Aug. 14, 1957;
8:46 a. m.]

[Docket 6629]

PART 13—DIGEST OF CEASE AND DESIST
ORDERS

MONO FUR CO., ET AL.

Subpart—*Advertising falsely or misleadingly*: § 13.155 *Prices*: Comparative; fictitious marking; usual as reduced, special, etc.; § 13.175 *Quality of product or service*; § 13.285 *Value*. Subpart—*Invoicing products falsely*: § 13.1108 *Invoicing products falsely*: Fur Products Labeling Act. Subpart—*Misbranding or mislabeling*: § 13.1212 *Formal regulatory and statutory requirements*: Fur Products Labeling Act. Subpart—*Neglecting, unfairly or deceptively, to make material disclosure*: § 13.1852 *Formal regulatory and statutory requirements*: Fur Products Labeling Act.

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 8, 65 Stat. 179; 15 U. S. C. 45, 69f) [Cease and desist order, Henry Monosson et al. trading as Mono Fur Company and International Fur Co., Los Angeles, Calif., Docket 6629, July 11, 1957]

In the Matter of Henry Monosson and Yetta Monosson, Individually and as Copartners, Trading as Mono Fur Company and International Fur Co.

This proceeding was heard by a hearing examiner on the complaint of the Commission charging furriers in Los Angeles, Calif., with violating the Fur Products Labeling Act by advertising in newspapers which misrepresented prices, grade, and value of fur products, by failing to maintain adequate records as a basis for such pricing claims, and by failing to comply with the labeling and invoicing requirements of the act.

Following an agreement between the parties for a consent order, the hearing examiner made his initial decision and order to cease and desist which became on July 11 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondents Henry Monosson and Yetta Monosson, individually and as copartners trading and doing business under the firm names of Mono Fur Company and International Fur Co., or under any other trade name or names, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of fur products, or in connection with the offering for sale, sale, advertising, transportation or distribution of

fur products which have been made in whole or in part of fur which had been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Failing to affix labels to fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the rules and regulations;

(b) That the fur product contains or is composed of used fur, when such is the fact;

(c) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) The name, or other identification issued and registered by the Commission, of one or more persons who manufactured such fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(f) The name of the country of origin of any imported furs used in the fur product.

2. Setting forth, on labels attached to fur products:

(a) Non-required information mingled with required information;

(b) Required information in abbreviated form, or in handwriting.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the rules and regulations;

(b) That the fur product contains or is composed of used fur, when such is a fact;

(c) That the fur product contains or is composed of bleached, dyed, or artificially colored fur, when such is a fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is a fact;

(e) The name and address of the person issuing such invoices;

(f) The name of the country of origin of any imported furs contained in the fur product.

C. Falsely or deceptively advertising fur products through the use of any notice, advertisement, representation or public announcement which is intended to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of fur products and which:

1. Represents, directly or by implication, that the regular or usual price of any fur product is any amount in excess

of the price at which the respondents have usually and customarily sold such products in the recent regular course of their business.

2. Misrepresents the grade, quality or value of certain of said fur products by the use of illustrations depicting higher priced or more valuable products than those actually available at the advertised selling price.

D. Making use in advertisements of percentage savings claims and compared prices unless such claims or prices are based upon current market values or unless the designated time of a bona fide compared price is given.

It is further ordered, That the charge in the complaint applicable to such records as are pleaded in Paragraph Nine thereof, be dismissed without prejudice.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: June 28, 1957.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F. R. Doc. 57-6711; Filed, Aug. 14, 1957;
8:47 a. m.]

TITLE 20—EMPLOYEES' BENEFITS

Chapter III—Bureau of Old-Age and Survivors Insurance, Social Security Administration, Department of Health, Education, and Welfare

[Reg. 1, further amended]

PART 401—DISCLOSURE OF OFFICIAL RECORDS AND INFORMATION

DISCLOSURE OF EARNINGS INFORMATION

Regulation No. 1, as amended (20 CFR 401.1 et seq.) is further amended as follows:

1. Section 401.3 (a) is amended to read:

§ 401.3 *Information which may be disclosed and to whom.* * * *

(a) As to matters directly concerning any claimant or prospective claimant for benefits or payments under title II of the Social Security Act, to such claimant or prospective claimant or his duly authorized representative; or (except medical information) upon authorization by such claimant or prospective claimant, or his duly authorized representative, to others or to the public, when consistent with the proper and efficient administration of the act. Medical information concerning a claimant or prospective claimant shall be disclosed (other than to such claimant or prospective claimant or duly authorized representative) only to such claimant's or prospective claimant's physician or to a medical institution at or of which such

claimant or prospective claimant is a patient, and then only upon consent of such claimant or prospective claimant and of the source of such information or, if such source is not available, of a physician in the employ of the Department, and when consistent with the proper and efficient administration of the act. However, statements of earnings and medical information may be furnished in summary form or in such detail as is determined by the Department to be consistent with the proper and efficient administration of the old-age, survivors, and disability insurance program under title II; any request for medical information (other than by the claimant's or prospective claimant's physician or medical institution) which is not reasonably necessary for a title II purpose shall be refused.

2. Section 401.6 (a) is amended to read:

§ 401.6 *Payment for information in specific cases.* * * *

(a) When the request is for information from the records of wages and self-employment income of an individual, and the request is made by the individual, his survivor, or the legal representative of the individual or his estate, the information shall be furnished without charge; however, details of information in such records shall be furnished only upon payment of the cost of disclosing such details when the information is furnished for a purpose other than the establishment of eligibility for or entitlement to a benefit or lump-sum death payment or the crediting of earnings under title II.

(Sec. 1102, 49 Stat. 647 as amended; 42 U. S. C. 1302. Interpret or apply sec. 205, 49 Stat. 624, as amended, sec. 1106, 53 Stat. 1398, as amended; 42 U. S. C. 1306, 405)

[SEAL] C. I. SCHOTTLAND,
Commissioner of Social Security.

Approved: August 8, 1957.

M. B. FOLSOM,
Secretary of Health, Education,
and Welfare.

[F. R. Doc. 57-6682; Filed, Aug. 14, 1957;
8:49 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter V—Department of the Army

Subchapter C—Military Education

PART 543—PROMOTION OF RIFLE PRACTICE

MISCELLANEOUS AMENDMENTS

In § 543.8 (b), revise subparagraph (2) and revoke subparagraph (3), as follows:

§ 543.8 *Rules and regulations for National Matches.* * * *

(b) *Small Arms Firing School.* * * *

(2) *Open to—*(i) *Attendance.* Conduct of the Small Arms Firing School is a responsibility of the United States Army Infantry School, Fort Benning, Georgia. The curriculum of the school is prescribed by the Secretary of the Army upon recommendation of the National Board for the Promotion of Rifle Practice. An advanced course for instructors, and a course of instruction for

bona fide members of law enforcement agencies, either military or civilian, will be conducted simultaneously with the regular course of instruction. In general, the criteria for attendance at the advanced course is satisfactory completion of a Small Arms Firing School course in any year for 5 years preceding or a National Rifle Association of America, or other properly issued classification card of marksman or higher. Range sessions will be the same for both courses but classroom requirements will differ. The school is open to individuals 14 years of age or older attending the National Matches whether competitors or not. The attendance of all persons, including those who have previously received certificates of proficiency, is encouraged. In the event that civilian or reserve component teams of any service are transported to the National Matches by funds appropriated to the National Board for the Promotion of Rifle Practice for that purpose attendance at an appropriate Small Arms Firing School by such team members will be mandatory.

(ii) *Certificates.* An Instructor's Certificate indicating satisfactory completion of the Instructor's Course will be given by the Small Arms Firing School to those who meet the qualifications established by the National Board for the Promotion of Rifle Practice. Appropriate certificates will also be awarded to individuals completing the basic course of instruction and the law enforcement course.

(3) *Certificate of attendance.* [Revoked]

[AR 920-30, July 5, 1957] (Sec. 3012, 70A Stat. 157; 10 U. S. C. 3012. Interpret or apply 44 Stat. 1095, as amended; 32 U. S. C. 181a)

[SEAL] HERBERT M. JONES,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 57-6700; Filed, Aug. 14, 1957; 8:45 a. m.]

Subchapter E—Organized Reserves

PART 563—RETIREMENT OF MEMBERS OF RESERVE COMPONENTS

REVISION OF PART

Part 563 is revised to read as follows:

- Sec.
- 563.1 Purpose.
- 563.2 Definitions.
- 563.3 Eligibility.
- 563.4 Application.
- 563.5 Date retired pay commences.
- 563.6 Placement on Army of the United States Retired List.
- 563.7 Certificate of Retirement.
- 563.8 Service creditable as satisfactory Federal service.
- 563.9 Service creditable for basic pay purposes only.
- 563.10 Military Academy service.
- 563.11 Computation of service.
- 563.12 Computation of retired pay.
- 563.13 Annuities under Civil Service.
- 563.14 Dual compensation.
- 563.15 Payment of pensions by Veterans Administration.
- 563.16 Prohibited activities.

AUTHORITY: §§ 563.1 to 563.16 issued under sec. 3012, 70A Stat. 157; 10 U. S. C. 3012. Interpret or apply sec. 2, 70 Stat. 297, secs. 101, No. 158—4

676, 1001, 1331-1337, 1401, 3966, 70A Stat. 3, 29, 102, 106, 231; 10 U. S. C. 101, 676, 1001, 1331-1337, 1401, 3966.

SOURCE: AR 135-180, 10 June 1957.

§ 563.1 *Purpose.* The regulations of this part implement statutory authorities governing the granting of "retired pay" to members and former members of the reserve components.

§ 563.2 *Definitions.*—(a) *Retired pay.* Pay granted members and former members of the reserve components under title 10, United States Code, section 1331 after completion of 20 or more years of satisfactory Federal service and upon attaining age 60. This pay is based on the highest grade satisfactorily held at any time during an individual's entire period of qualifying service.

(b) *Members and former members.* A member of a reserve component is one who holds a current status in a reserve component. Generally, for members of the Army Reserve an individual who accepted an indefinite term appointment under the Armed Forces Reserve Act of 1952, and whose appointment has not been terminated, is a current member. A former member is one who formerly held status in a reserve component but who does not hold a current status in any such component.

(c) *Years for percentage purposes.* This denotes total satisfactory Federal service converted to years for use as a multiplier in determining retired pay (§§ 563.11 (b) and 563.12 (b)).

§ 563.3 *Eligibility.* (a) To be eligible for retired pay, an individual need not have a military status at the time of application, but must have:

- (1) Attained age 60.
- (2) Completed a minimum of 20 years of satisfactory Federal service.
- (3) Served the last 8 years of his qualifying service as a member of a reserve component. Service performed concurrently in a reserve component and the Regular Army, Navy, Air Force, Marine Corps, or Coast Guard is not creditable as service in a reserve component for determining this period. The last 8 years of qualifying service need not be the last 8 years of military service, nor do they have to be continuous. Examples: An individual who served 14 years as a reservist and then 6 years in the Regular Army must serve an additional 6 years in a reserve status to qualify for retired pay; an individual who served 13 years in the Regular Army, then 7 years as a reservist, followed by 4 years in the Regular Army must serve an additional year in a reserve status to qualify for retired pay.

(4) Performed active Federal service during some portion of either of the periods from April 6, 1917 to November 11, 1918 or September 9, 1940 to December 31, 1946, all dates inclusive, if a member of a reserve component prior to August 16, 1945.

(b) In addition, an applicant must:

- (1) Not be receiving, or be entitled to receive, under any other provision of law, retired pay for military or naval service, including retainer pay as a transferred member of the Fleet Reserve. However, military service may be credited for en-

titlement to certain pensions or old-age benefits on account of civilian employment even though such military service is used in the computation of service creditable toward retired pay under the regulations of this part.

(2) Not have elected to receive disability severance pay in lieu of retired pay. Reserve personnel involuntarily relieved from active duty who are not eligible for retired pay at time of release but who are paid readjustment pay under the provisions of Public Law 676, 84th Congress are eligible to receive retired pay under the regulations of this part provided they are otherwise qualified at a later date.

(3) Not fall within the prohibitions of the act of September 7, 1954 (68 Stat. 1142; 5 U. S. C. 740d). Generally, this statute provides for denial of retired pay to persons otherwise eligible therefor who commit or are convicted of certain offenses or invoke the privilege against self-incrimination under certain circumstances.

§ 563.4 *Application.* (a) It is the responsibility of each qualified individual to submit his application for retired pay at the appropriate time. DD Form 108 (Application for Retirement Benefits under the Provisions of Title III, Public Law 810, 80th Congress) is the only form on which application for this pay will be made. Applications submitted by letter or on any other forms will not be honored.

(b) DD Form 108 may be obtained, upon request from The Adjutant General, Headquarters, Department of the Army, Washington 25, D. C., Attn: AGPO-SC, for officer personnel, and Attn: AGPO-XS, for enlisted personnel, not earlier than 120 days prior to age 60.

(c) Only one copy of DD Form 108 will be submitted. The completed form will be submitted to the address shown above so as to insure receipt thereof approximately 60 days prior to the applicant's 60th birthday.

(d) DD Form 108 will be completed as accurately as possible from data readily available to the applicant. Statements of service are not necessary to document these applications and will not be requested for the purpose of completing an application. All records are carefully screened by the Department of the Army at the time each application is processed. The data furnished serves as a guide with particular reference to other than Army service, if any.

(e) Individuals who fail to apply for retired pay prior to or upon attaining age 60 may submit their application at any time. Retired pay, however, in such cases cannot be granted prior to the first day of the month following the month in which the formal application is received in the Department of the Army. No retroactive pay accrues in these cases, regardless of the reasons which precluded submission of the application at an earlier date.

§ 563.5 *Date retired pay commences.* Letter orders will be issued by The Adjutant General announcing the effective date eligible individuals are entitled to retired pay. This pay will commence on

the first day of the month following the month in which age 60 is attained, or the first day of the month following the month in which the DD Form 108 is received by the Department of the Army, whichever is later.

§ 563.6 *Placement on Army of the United States Retired List.* (a) Names of commissioned officers and former commissioned officers of the reserve components awarded retired pay will be placed on the Army of the United States Retired List, published annually in the official Army Register. Names of warrant officers and enlisted personnel granted retired pay will not be included on this list.

(b) Placement on the Army of the United States Retired List in no way confers a reserve appointment to former officers whose reserve appointments terminated prior to being granted retired pay.

§ 563.7 *Certificate of Retirement.* DD Form 363 A (Certificate of Retirement) will be furnished by The Adjutant General after retired pay orders have been issued.

§ 563.8 *Service creditable as satisfactory Federal service.* Only service performed in the status of a commissioned officer; warrant officer; flight officer; enlisted person; Army field clerk; field clerk, Quartermaster Corps; and in the case of warrant officers, classified field service as an Army Headquarters clerk or clerk of the Army Quartermaster Corps (under laws in effect prior to August 29, 1916), in any of the following components may be considered as satisfactory Federal service.

(a) Prior to July 1, 1949 service in any of the following:

(1) The National Guard of the United States.

(2) The National Guard while in the service of the United States.

(3) The Federally recognized National Guard before June 15, 1933.

(4) A Federally recognized status in the National Guard before June 15, 1933.

(5) The Officers Reserve Corps and Enlisted Reserve Corps before March 25, 1948.

(6) The Organized Reserve Corps.

(7) Army Reserve.

(8) The Naval Reserve and the Naval Reserve Force, excluding those members of the Fleet Reserve and the Fleet Naval Reserve transferred thereto after completion of 16 or more years of active naval service.

(9) The Marine Corps Reserve and the Marine Corps Reserve Force, excluding those members of the Fleet Marine Corps Reserve transferred thereto after completion of 16 or more years of active service.

(10) The Limited Service Marine Corps Reserve.

(11) The Naval Militia that conformed to the standards prescribed by the Secretary of the Navy.

(12) The National Naval Volunteers.

(13) The Air National Guard.

(14) The Air Force Reserve (Officers and Enlisted Sections).

(15) The Air Force of the United States, without component (prior to July 1, 1948).

(16) The Coast Guard Reserve.

(17) The Organized Militia from January 21, 1903.

(18) The Philippine Scouts.

(19) The Regular Army Reserve.

(20) The Regular Services.

(21) Student, Army Training Corps, World War I (only if service was performed as an enlisted man).

(22) United States Volunteers (only active duty during Spanish-American War).

(23) Women's Army Corps (from September 1, 1943).

(24) Student Officer Training Camps, World War I (only if service was performed as an enlisted man).

(25) Army of the United States without component. World War II emergency Army of the United States appointments made under the statutes below terminated on dates specified, unless sooner vacated:

(i) *Joint Resolution of September 22, 1941.* (a) Male officers, except as noted in (b) of this subdivision: June 30, 1948.

(b) Disabled officers and officers who completed a course of medical instruction at Government expense under the act of February 6, 1942: June 30, 1948 or date of relief from active duty, whichever was the later.

(c) Women's Army Corps: June 12, 1949.

(ii) Act of August 21, 1941 (Warrant Officers). April 1, 1953:

(iii) Act of July 8, 1942 (Flight Officers). October 28, 1952.

(b) Subsequent to June 30, 1949 a reservist must earn a minimum of 50 retirement points each year to have that year credited for retired pay purposes. Only members assigned to an active section of a reserve component or individuals in active Federal service are authorized to earn retirement point credits.

(c) The term "year" will be interpreted as follows:

(1) Prior to July 1, 1949 a "year" of service shall be considered to be any 365 days, not necessary consecutive.

(2) On and after July 1, 1949, a "year" will be computed from July 1 of one year to June 30, of the following year, for persons who were member of a reserve component of the Armed Forces on July 1, 1949 and whose service continues without interruption. All dates are inclusive.

(3) For persons who entered or reenter on active reserve status after July 1, 1949 the "year" of service will end on the day preceding the anniversary of such entry or reentry.

(d) Service shown in paragraphs (a) and (b) of this section, in addition to being credited as satisfactory Federal service, is also converted into "years for percentage purposes."

§ 563.9 *Service creditable for basic pay purposes only.* The following service, although not creditable as satisfactory Federal service, is creditable for basic pay purposes in addition to service credited under § 563.8.

(a) Inactive Section, Officers Reserve Corps.

(b) Inactive Section, Enlisted Reserve Corps.

(c) Auxiliary Reserve.

(d) Unassigned Reserve.

(e) Inactive Reserve.

(f) National Guard Reserve.

(g) Regular and Reserve Corps of Public Health Service.

(h) Student, Army Training Corps, World War I (other than those in enlisted status).

(i) Philippine Constabulary.

§ 563.10 *Military Academy service.* Service as a Cadet at the United States Military Academy under an appointment made prior to August 24, 1912 or as a midshipman at the United States Naval Academy under an appointment made prior to March 4, 1913 is credited as active duty in determining only the years for percentage purposes.

§ 563.11 *Computation of service.* (a) Upon receipt of an application for retired pay, a computation to determine the number of years of satisfactory Federal service, years for percentage purposes, and years for basic pay purposes, will be made by The Adjutant General. Service commences from the date of acceptance of appointment in the case of officers and the date of enlistment or induction for enlisted personnel.

(b) In determining the years for percentage purposes, credit of 1 day will be given for each point as follows:

(1) *Prior to July 1, 1949.* (i) One point for each day of active duty.

(ii) Fifty points for each year of service as a member of a reserve component as shown in § 563.8, other than active duty.

(iii) A proportionate part of 50 points for any fraction of a year will be credited.

(2) *Subsequent to June 30, 1949.* (i) One point for each day of active duty.

(ii) Fifteen points for each year of membership in an active status in a reserve component. An exception to this is that membership points for any retirement year during the period of April 16, 1955 to August 10, 1956 will be reduced proportionately, depending on days of active duty performed.

(iii) One point per calendar day for authorized participation in drills or periods of instruction which conform to the requirements prescribed by the Secretary of the Army. Not more than 60 points per year, including the points authorized in subdivision (ii) of this subparagraph, will be credited for inactive duty in any one year.

(iv) A proportionate part of 50 points for any fraction of a year of satisfactory Federal service only when the status of an active member of a reserve component is terminated prior to the expiration of a retirement year and provided further that the required minimum proportionate part of 50 points is earned.

(c) Active duty means full-time duty in the active military service of the United States. It includes duty on the active list, full-time training duty, annual training duty, and attendance while in the active military service at a school designated as a service school by law or by the Secretary of the military department concerned. The full-time duty

performed by a member of the Army National Guard of the United States or the Air National Guard of the United States while a member of the Army National Guard or Air National Guard under sections 316 and 503-505 of title 32, United States Code, for which he was entitled to pay from the United States or for which he waived such pay is included. Also included is active duty performed by a reservist who was ordered to active duty, with his consent, without pay under title 10, United States Code, section 683. It does not include attendance at service schools on invitational orders nor a period of hospitalization beyond an active duty training tour.

§ 563.12 *Computation of retired pay.* (a) Computation of retired pay will be made by the Commanding General, Finance Center, U. S. Army, Indianapolis 49, Indiana, upon receipt of orders and certification from The Adjutant General of the data prescribed in § 563.11.

(b) A person granted retired pay will receive such pay at an annual rate equal to 2½ percent of the active duty annual basic pay which the individual would receive if serving, at the time granted such pay, on active duty in the highest grade, temporary or permanent, satisfactorily held by him during his entire period of service, multiplied by a number equal to the number of years, and any fraction thereof, on the basis of 360 days per year (years for percentage purposes) as determined pursuant to § 563.11. No person shall be entitled to receive retired pay at an annual rate in excess of 75 percent of the above-mentioned annual basic pay.

§ 563.13 *Annuities under Civil Service.* Persons entitled to receive retired pay under the provisions of this part may concurrently receive annuities under the provisions of the Civil Service Retirement Act of 1930 (46 Stat. 468), as amended.

§ 563.14 *Dual compensation.* (a) Section 212 of the Economy Act of June 30, 1932, as amended (5 U. S. C. 59a) generally provides that the combined pay of a Federal office and retired pay cannot exceed \$10,000 annually. This act is not applicable to officers of the reserve components who receive retired pay under the regulations of this part and who are de jure (actual) members of a reserve component, nor is it applicable to officers of the reserve components granted retired pay prior to January 1, 1953, for the period prior to that date during which they were de jure members of the Officers Reserve Corps or the National Guard of the United States.

(b) The Dual Office Act of July 31, 1894 is not applicable to a reserve officer granted retired pay under the provisions of this part.

§ 563.15 *Payment of Pensions by Veterans Administration.* The Administrator of Veterans Affairs has held that pensions and compensation administered by the Veterans Administration may not be paid concurrently with retired pay authorized under the regulations of this part. An individual may, however, relinquish his retired pay in its entirety and continue to receive benefits from the Veterans Administration.

§ 563.16 *Prohibited activities.* The prohibition usually appearing in annual appropriation acts that no payment shall be made to "any officer" on the retired list of the Army who is engaged in the selling of any war materials or supplies to the Department of the Army is not applicable to persons granted retired pay under the regulations of this part.

[SEAL] HERBERT M. JONES,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 57-6680; Filed, Aug. 14, 1957;
8:49 a. m.]

Chapter XI—National Guard and State Guard, Department of the Army

PART 1101—NATIONAL GUARD REGULATIONS

FEDERAL RECOGNITION

In § 1101.3, paragraphs (h) and (i) are amended as follows:

§ 1101.3 *Federal recognition.* * * *

(h) *Requirements*—(1) *General.* * * *

(iii) *Age.* * * *

(b) *Maximum ages*—(1) *Appointment.*

Applicants for Federal recognition must not have attained the birthday shown below prior to appointment in grade indicated, except that age limits may be increased by an amount not to exceed length of previous service in the grade in which appointment is desired. Previous service includes service in an active status in any component of the Armed Forces in the same grade. An applicant's age must be such that he can serve at least 1 year before recognition will be terminated under age limitations as set forth in § 1101.5. Provisions of this paragraph are not applicable to applicants for promotion, transfer in the branch, and Army Reserve officers seeking Federal recognition in the same (or lower) grade or in higher recommended grade and same branch.

Grade:	Age
2nd Lieutenant.....	28
1st Lieutenant.....	33
Captain.....	39
Major.....	48
Lt Colonel.....	51
Colonel.....	55

(v) *Educational and mental requirements for applicants not previously commissioned in the Armed Forces.* (a) Applicant must be a graduate of a high school or school of similar level or hold a certificate attesting to equivalent education, or must have passed the General Educational Development Test (high school level or higher) of the United States Armed Forces Institute.

(b) Demonstrated understanding of, and proficiency in the use of the English language is a prerequisite for appointment.

(c) Applicant will be administered the Armed Forces Qualification Test AFQT-1 or -2 by the Army advisor, and must achieve a percentile score of 74 or higher thereon except for the following:

(1) Those who previously have been credited with attaining a percentile score of 74 or higher, or a standard score of 115 or higher on AFQT-1 or -2 or AFQT-

3 or -4; or a standard score of 115 or higher on the Army General Classification Test (AGCT), the General Classification Test (GCT) Aptitude Area I, or General Technical Aptitude Area (GT).

(2) Those who have evidence of satisfactory completion of 120 semester credit hours or equivalent quarter hours, at an accredited college or university.

(3) Former officers and warrant officers.

(2) Individuals will be selected from the following sources:

(i) *General.* (a) Army Reserve officers and other qualified officers and former officers, with previous honorable and creditable service in any component of the Armed Forces, who have demonstrated their qualifications by service in the grade contemplated, or by the satisfactory discharge of equal and corresponding responsibilities for a period of not less than 6 months while on active duty.

(b) Those who hold a Certificate of Eligibility (NGB Form 89a), as provided in paragraph (f), may be appointed to the grade for which qualified as stated in the Certificate, provided prescribed physical and age in grade requirements are met at the time of the appointment.

(c) A civilian official or employee of the United States or the District of Columbia, who is appointed an officer of the National Guard, will not be federally recognized without the consent of the head of the department or branch in which he is employed.

(ii) *Initial appointment of second lieutenant.* (a) Former warrant officers and enlisted men of the upper three enlisted grades with previous honorable and creditable active Federal service of not less than 6 months in those grades in any component of the Armed Forces who are otherwise qualified, and who:

(1) Have completed a minimum of 1 year's honorable and creditable service in a Federally recognized Army National Guard unit, and

(2) Have successfully completed an accredited officer candidate course, non-commissioned officer course or leadership course conducted by the active Army, or the Army Pre-Commission Extension Course.

(b) Graduates of accredited officer candidate school courses who have completed a minimum of 2 years of honorable and creditable service in a federally recognized Army National Guard unit, or who have completed a minimum of 1 year of honorable and creditable service with any of the Armed Forces of the United States, to include 6 months of active duty or an accredited 6-months active duty for training program. The provisions of subparagraph (1) (iii) (a) (1) of this paragraph apply in the case of those individuals who complete an accredited 6-month active duty for training program and otherwise qualify under this requirement.

(c) Warrant officers and enlisted men of the Army National Guard who have completed a minimum of 2 years of honorable and creditable service with any of the Armed Forces of the United States, to include 6 months of active duty or

completion of an accreditable 6-months active duty for training program, have successfully completed the Army Pre-Commission Extension Course, and are otherwise qualified, individuals ineligible or unable to participate in an accredited 6-month active duty for training program may satisfy such requirement by successful completion of an accredited leadership or noncommissioned officer course conducted by the active Army.

(iii) *Special.* (a) State adjutants general may be federally recognized for their tenure of office in the grade authorized by the respective State code, but not to exceed the grade of major general.

(b) Wartime service or previous military training is not required for appointment and Federal recognition in the National Guard of Chaplains, medical officers, dental officers, judge advocates general, nurses, and medical specialists, provided that no person in this category will be initially federally recognized in a grade higher than major.

(c) ROTC graduates may be extended Federal recognition and transferred to an Army National Guard of the United States status during the interim period between their appointment in the Army Reserve and the date of reporting for active duty or active duty for training, provided:

(1) The branch of the ROTC graduate is appropriate to that of the Army National Guard unit to which assignment is desired, and

(2) The statements outlined under paragraph (i) (5) (xiii) of this section accompany their applications for Federal recognition in the Army National Guard.

(d) Former officers who were discharged from the Reserve of the Army in the grade of second lieutenant, by reason of failure to qualify for promotion if otherwise qualified will be eligible for Federal recognition in the grade of second lieutenant, and on the effective date of their Federal recognition will be credited with 2 years of promotion service, see paragraph (i) (5) (xii) of this section.

(i) *Procedures required to initiate Federal recognition; Action required by individual.* * * *

(3) *Armed Forces Security Questionnaire.* Complete DD Form 98 (Armed Forces Security Questionnaire) in duplicate, the duplicate copy to be retained in the unit 201 file.

(4) *Security check.* Applicant will complete DD Form 398 (Statement of Personal History) in quintuple, and FBI Fingerprint Card, one copy only, unless a National Agency Check was previously completed with favorable results.

(5) *Other personal records and documents.* Assemble such personal records and documents listed below under the circumstances prescribed therein:

(iii) *Evidence of satisfactory completion of extension courses.* Each applicant for commission under the provision of paragraph (h) (2) (ii) (c) of this section will provide a photostatic copy of evidence indicating satisfactory completion of the Army Pre-Commission Extension Course or an appropriate 10-series of the Army Extension Courses.

(xiii) *ROTC graduates.* ROTC graduates seeking Federal recognition in the Army National Guard and transfer to an Army National Guard of the United States status during the interim period between their appointment in the Army Reserve and the date of reporting for active duty or active duty for training must execute the following statement, which will accompany their application and allied papers for Federal recognition:

I understand and agree that if I am released from the Army Reserve and appointed in the Army National Guard of the (State, Territory) of _____, such change in status will not effect my previous agreement to serve 6-months active duty for training or 2-years active duty.

In addition, prior to securing a conditional release from their Army Reserve membership, applicants in this category must obtain a statement from the State adjutant general concerned, which will accompany their applications for Federal recognition, stating generally as follows:

If _____ (Name) _____ (Rank) _____ (ASN) is appointed in the Army National Guard of the (State, Territory) of _____, consent is hereby granted for him to serve 6-months active duty for training or 2-years active duty in accordance with the prior agreement made by him.

[C1, NGR 20-2, May 17, 1957] (Sec. 110, 70A Stat. 600; 32 U. S. C. 110)

[SEAL] HERBERT M. JONES,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 57-6679; Filed, Aug. 14, 1957; 8:48 a. m.]

TITLE 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

Subchapter F—Alaska Commercial Fisheries

PART 105—ALASKA PENINSULA AREA

PART 107—CHIGNIK AREA

SALMON FISHERY

Basis and purpose. On the basis of poor showings of pink salmon escapement on the south side of the Alaska Peninsula it has been determined that the opening of the fall season must be delayed.

Therefore, effective immediately, upon publication in the FEDERAL REGISTER:

1. Section 105.3a is amended in text by deleting "August 14" wherever it appears and substituting in lieu thereof "August 19."

2. Section 107.2 is amended in paragraph (a) by deleting "August 14" and substituting in lieu thereof "August 19."

Since immediate action is necessary, notice and public procedure on this amendment are impracticable (60 Stat. 237; 5 U. S. C. 1001 et seq.).

(Sec. 1, 43 Stat. 464, as amended; 48 U. S. C. 221)

A. W. ANDERSON,
Acting Director,
Bureau of Commercial Fisheries.

[F. R. Doc. 57-6747; Filed, Aug. 13, 1957; 4:19 p. m.]

NOTICES

DEPARTMENT OF JUSTICE

Office of Alien Property

OLGA MARZI MANENTI

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant and Property

Olga Marzi Manenti, Rome, Italy; Claim No. 40855; Vesting Order Nos. 1417 and 1759; \$503.37 in the Treasury of the United States.

All right, title and interest held by the Attorney General, including all negative and positive prints in the possession of the Attorney General, of the Italian language motion pictures entitled "Eravamo Sette Vedove," "La Cieca Di Sorrento," "Terra Di Fuoco" and "Lorenzino Del Medici" acquired pursuant to Vesting Order Nos. 1417 (8 F. R. 8570, June 22, 1943) and 1759 (8 F. R. 15391, November 9, 1943).

The right of the Attorney General of the United States to audit and recover any unpaid royalties due from the distribution after December 1, 1944, of the motion picture "Eravamo Sette Vedove" under License No.

LM-163, dated October 26, 1943 and under License No. LM-1331 dated November 10, 1943, by and between the Attorney General of the United States and Salvatore Casolaro, 7303 10th Avenue, Brooklyn, New York; and from the distribution at any time of the motion picture "Terra Di Fuoco" under said License No. LM-163, dated October 26, 1943.

Executed at Washington, D. C., August 8, 1957.

For the Attorney General.

[SEAL] PAUL V. MYRON,
Deputy Director,
Office of Alien Property.

[F. R. Doc. 57-6701; Filed, Aug. 14, 1957; 8:45 a. m.]

DEPARTMENT OF COMMERCE

Office of the Secretary

SANDS G. FALK

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

In accordance with the requirements of section 710 (b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER of February 14, 1957, 22 F. R. 937:

- A. Deletions: None.
B. Additions: None.

This statement is made as of August 7, 1957.

Dated: August 7, 1957.

SANDS G. FALK.

[F. R. Doc. 57-6698; Filed, Aug. 14, 1957; 8:45 a. m.]

CHARLES K. BASSETT

REPORT OF APPOINTMENT AND STATEMENT OF FINANCIAL INTERESTS

Report of appointment and statement of financial interests required by section 710 (b) (6) of the Defense Production Act of 1950, as amended.

Report of Appointment

1. Name of appointee: Mr. Charles K. Bassett.
2. Employing agency: Department of Commerce, Business and Defense Services Administration.
3. Date of appointment: July 22, 1957.
4. Title of position: Director, Water and Sewerage Industry and Utilities Division.
5. Name of private employer: Buffalo Meter Company, 2917 Main Street, Buffalo 14, New York.

CARLTON HAYWARD,
Director of Personnel.

MAY 28, 1957.

Statement of Financial Interests

6. Names of any corporations of which the appointee is an officer or director or within 60 days preceding appointment has been an officer or director, or in which the appointee owns or within 60 days preceding appointment has owned any stocks, bonds, or other financial interests; any partnerships in which the appointee is, or within 60 days preceding appointment was, a partner; and any other businesses in which the appointee owns, or within 60 days preceding appointment has owned, any similar interest.

Buffalo Meter Co.
Buffalo Meter Mfg. Co.
City of Buffalo, N. Y.
City of Daytona Beach, Fla.
Town of Carroll, N. Y.
City of Tonawanda, N. Y.
Town of Gates, N. Y.
Town of Genoa, N. Y.
Erie Co., N. Y. Water Authority.
Town of Clarence, N. Y.

Village of Spring Valley, N. Y.
Town of Gunderland, N. Y.
Town of Milton, N. Y.
Town of Friendship, N. Y.
Town of Chili, N. Y.
Village of Hilton, N. Y.
Village of Interlaken, N. Y.
Town of Alexandria, N. Y.
Bank deposits.

Dated: August 6, 1957.

CHAS. K. BASSETT.

[F. R. Doc. 57-6699; Filed, Aug. 14, 1957; 8:45 a. m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-24]

GENERAL ELECTRIC CO.

PROPOSED ISSUANCE OF FACILITY LICENSE

Please take notice that the Atomic Energy Commission proposes to issue a facility license to the General Electric Company substantially in the form set forth as Annex "A" unless within fifteen (15) days after filing of this notice with the Federal Register Division a request for a formal hearing is filed with the Commission in the manner prescribed by § 2.102 (b) of the Commission's rules of practice (10 CFR Part 2). There is included as Annex "B" a memorandum submitted by the Division of Civilian Application which summarizes the principal features of the facility and the principal factors considered in reviewing the application for a license. A construction permit authorizing the General Electric Company to construct the facility was issued by the Commission on June 29, 1956. For further details see the application for license at the Commission's Public Document Room, 1717 H Street NW., Washington, D. C.

Dated at Washington, D. C., this 9th day of August 1957.

For the Atomic Energy Commission.

H. L. PRICE,

Director,

Division of Civilian Application.

ANNEX "A"

LICENSE

1. Pursuant to the Atomic Energy Act of 1954 (hereinafter "the act"), the Atomic Energy Commission (hereinafter "the Commission") has found:

a. That the utilization facility authorized for construction by Construction Permit No. CPCX-4, dated June 29, 1956, and issued to the General Electric Company, has been constructed and will operate in conformity with the application as amended and in conformity with the act and the rules and regulations of the Commission;

b. There is reasonable assurance that the facility can be operated without endangering the health and safety of the public; and

c. The General Electric Company is technically and financially qualified to operate the facility.

2. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses the General Electric Company:

a. Pursuant to section 104c of the act and Title 10, CFR, Chapter 1, Part 50, "Licensing of Production and Utilization Facilities," to possess and operate as a utilization facility the critical experiments facility designated below;

b. Pursuant to the Act and Title 10, CFR, Chapter 1, Part 70, "Special Nuclear Material," to use as fuel in operation of the facility the following special nuclear material covered by license number SNM-54, as amended, issued to the General Electric Company:

(1) 8,000 pounds of uranium oxide (UO_2) containing uranium enriched to 1.3 percent in the isotope U-235.

(2) 4,000 pounds of uranium oxide (UO_2) containing uranium enriched to 1.6 percent in the isotope U-235.

c. Pursuant to the act and Title 10, CFR, Chapter 1, Part 30, "Licensing of Byproduct Material," to possess, but not to separate from the fuel, such byproduct material as may be produced from operation of the facility.

3. This license applies to the facility which is owned by the General Electric Company and located in Alameda County, California, and described in General Electric Company's application filed March 27, 1956, and amendments thereto filed on June 4, 1956; October 20, 1956; May 3 and 6, 1957; June 28, 1957; and July 5, 1957. The original application together with said amendments is herein-after referred to as "the application."

4. This license shall be deemed to contain and be subject to the conditions specified in § 50.54 of Part 50 and § 70.32 of Part 70; is subject to all applicable provisions of the act and rules, regulations and orders of the Commission now or hereafter in effect; and is subject to any additional conditions specified or incorporated below.

5. The General Electric Company shall not conduct any critical experiments in the facility until a description of the experiments and a Hazards Summary Report shall have been submitted to the Commission and the Commission shall have specifically authorized the experimental activity under this license.

6. The conditions and requirements contained in Appendix "A", attached hereto, are a part of this license.

7. This license is effective as of the date of issuance and shall expire at midnight, June 29, 1976, unless sooner terminated.

For the Atomic Energy Commission.

Director,

Division of Civilian Application.

Date of issuance:

APPENDIX "A"

I. Experiments. The General Electric Company is authorized to perform the critical experiments described in the application, which are related to the Commonwealth Edison Company power reactor. Any changes in the experiments as described in the application must be authorized by the Commission.

II. Operating restrictions. The General Electric Company shall operate the facility in accordance with the procedures described in the application.

III. Records. In addition to those otherwise required under this license and applicable regulations, the General Electric Company shall keep the following records:

a. Facility operating records.

b. Records containing a description, procedures, and results for each critical experiment performed.

c. Records showing radioactivity released or discharged into the air or water beyond the effective control of the General Electric Company as measured at the point of such release or discharge.

d. Records of emergency scrams, including reasons for emergency shutdowns.

IV. Reports. The General Electric Company shall immediately report to the Commission any indication or occurrence of a possible unsafe condition relating to the operation of the facility.

ANNEX "B"

MEMORANDUM

Introduction. The General Electric Company filed on March 27, 1956, an application for a Class 104 license to construct, possess and operate a critical experiment facility to be located in Alameda County, California. Amendments to the application were filed on June 4 and October 20, 1956, May 3 and 6, June 28, and July 5, 1957. On June 29, 1956, a construction permit was issued to the General Electric Company authorizing construction of the critical experiment facility. On June 7 and 18, 1957, a representative of the Commission inspected the facility and determined that it was constructed substantially in accord with the design set forth in the license application.

Description of facility and site. The Atomic Power Equipment Department of the General Electric Company has constructed and proposes to operate a critical experiment facility at its Vallecitos Atomic Laboratory in Alameda County, California. The initial critical experiments to be performed in the facility will consist of low enrichment uranium dioxide fuel rods in a water filled tank. The experiments are designed to measure the nuclear characteristics of the proposed Commonwealth Edison boiling water power reactor. Nuclear characteristics to be measured include critical mass, neutron flux distribution, void and temperature coefficients of reactivity, and the reactivity worth of control rods.

The facility building is located about 2000 feet from the GE Developmental Boiling Water Reactor and about 2300 feet from the nearest boundary of the laboratory area. Population density in the immediate vicinity is low, approximately 15 people per square mile. The site is located within a zone 3 type earthquake area and consequently the building is appropriately designed.

The building has two experimental cells, one for the critical assembly and one for the Nuclear Test Reactor which is a low power reactor used to produce neutrons. Four feet of concrete separates the control room from the critical assembly cell which is 24 feet by 32 feet by 36 feet high. The remainder of the building is one story high.

The core tank is mounted on the concrete floor of the experimental cell and is made of aluminum, 6 feet in diameter and 6 feet high with an open top. Six inch aluminum I-beams in the form of a six pointed star are welded to the bottom of the core tank to support the core. A fuel-bearing aluminum plate supports the lower matrix plate for the core. A similar matrix plate will position the upper part of the core.

Approximately 3000 uranium dioxide fuel rods clad with aluminum or zirconium will be arranged in the core in a square array. The initial loading will mainly consist of aluminum clad rods with a small percentage of zirconium clad rods.

Water storage and handling is accomplished with a dump tank and filling pump. The fill line has provisions for filling the core tank at two rates, the fast rate raises the water level in the core tank at 2 feet per minute and the slow rate at 6 inches per minute. A limit switch is provided to automatically shut off the pump when the water level reaches 2 inches above the water level at which criticality is first achieved. This 2 inches of water corresponds to an excess reactivity of 0.25%.

For temperature coefficient measurements a heater is installed in the dump tank. In addition, a small heater and stirrer are installed in the core tank to maintain the temperature of the water constant and uniform during the tests.

Ventilation in the experimental cell is accomplished by an exhaust fan and air conditioner. The air is exhausted from the top of the experimental cell.

The reactor will be scrammed on:

1. Earthquake
2. Overfilling the core tank with water
3. High neutron flux
4. Short positive reactor period

A scram causes the poison safety rods to drop into the core and the water dump valve to open so that the water moderator can flow into the dump tank. The five safety rods are always removed before water is added so that they are ready to shut the reactor down quickly in the event of an abnormal condition. The rods can be fully inserted in about 0.6 second. The water dump valve takes somewhat longer to operate and therefore is used as a back-up for the safety rods.

Excess reactivity in the assembly is limited by an operating procedure which states that the reactor must not be loaded in such way that it would become critical at a water height of less than 70 centimeters. The maximum water height will be about 120 centimeters and this corresponds to an excess reactivity of about 4% when the reactor is loaded to be critical at 70 centimeters. The maximum power is also limited by an operating procedure to levels not exceeding 200 watts.

The initial approach to criticality will be preceded by an extensive equipment checkout and a number of dry runs. Subsequent start-ups will also be preceded by an equipment checkout which is designed to identify any unusual and unsafe conditions in the reactor system which would be corrected prior to startup.

Hazards evaluation. The inherent safety characteristics of any reactor are determined by the temperature and void coefficients, the thermal time constants of the fuel, and the response times of the safety system. Above prompt critical the prompt neutron lifetime is also important in influencing the course of a reactivity accident. These features are discussed below.

The two major considerations in an oxide type critical assembly are:

1. The poor heat transfer from the oxide fuel to the water moderator.
2. The high melting point of the oxide fuel.

The Doppler temperature coefficient of the partially enriched oxide fuel is estimated to be -1.28×10^{-3} per degree centigrade. Since the Doppler temperature coefficient is a property of the fuel, it is fast acting in stopping any nuclear transient. For slow excursions where heat is transferred to the water and boiling of the water occurs, the negative void coefficient, -0.30 percent reactivity per percent void, will also help terminate the excursion. Because of the large thermal time constant of the fuel, approximately 17 seconds, the negative void coefficient is not as helpful in terminating an excursion in this reactor as it would be in an alloy type fueled reactor such as the Materials Testing Reactor. However, as stated before, the high melting point of the oxide fuel allows an excursion to proceed further than it would in MTR type fuel elements without melting the fuel.

The types of accidents considered by the applicant were:

1. Excessive addition of fuel.
2. Removal of a safety rod while critical.
3. Collapse of voids.
4. Collapse of the core.
5. Too rapid and excess addition of water.

The consequences of the first four accidents were of lesser magnitude than those for the fifth. The fifth, therefore, appears to be the maximum accident credible for this facility.

The maximum credible accident involves adding water to the core, with the safety rods out, at the maximum possible rate. This corresponds to a reactivity insertion rate at prompt critical of 0.14 percent per second.

It is assumed that this filling rate continues until the excursion is terminated by the removal of water from the core by boiling. The safety system which would normally stop the excursion by dropping the safety rods and dumping the water is assumed to be disabled.

The nature of the excursion is a sharp rise in power followed by a sharp drop as the fuel heats up enough to cause the Doppler temperature coefficient to take effect. This drop is followed by another sharp rise as heat flows from the fuel into the water and as reactivity addition continues with increase in the height of the water. This pulsing continues until enough heat flows out of the fuel rod into the water to cause boiling. Then the negative void coefficient levels the reactor power off to a slowly increasing value as long as water is added. The heat generated is transferred to the water and the vaporization of the water will remove the heat until some means can be taken to stop the water pump, insert the safety rods, or dump the water moderator. Any of these actions will terminate the excursion.

The maximum fuel temperature reached will not exceed the melting point of the fuel and therefore no fission products will be released to the experimental cell in the maximum credible accident.

Conclusion. From our review of the application as amended and the applicant's analysis of the hazard aspects of the actual experimental program to be conducted in the facility as constructed; based on our evaluation of the reasonableness of the assumptions made by the applicant in his calculations of the maximum potential hazards to the public; and taking into account the various mechanical and operational controls which have been incorporated in the design and operating procedure to decrease the probability of any incident to an acceptably low level; we have concluded that there is reasonable assurance that the critical experiments described by the applicant can be conducted in this facility without undue risk to the health and safety of the public.

Financial qualifications of the applicant. At the time consideration was given to the issuance of a construction permit covering this facility a review was made of the applicant's financial qualifications. The construction permit issued on June 29, 1956, reflects that the Commission has determined that the applicant is financially qualified to construct and operate the facility in accordance with the regulations contained in Title 10, Chapter 1, CFR.

Technical qualifications. General Electric Company has more than 16 years of experience in the field of atomic energy. The Atomic Power Equipment Department of General Electric, which is responsible for the General Electric Company critical facility project, was organized in 1955, and the managerial personnel have many years of experience in the design, testing and operation of nuclear reactors at Argonne, Hanford, Oak Ridge, and West Milton. It is, therefore, concluded that the General Electric Company is technically qualified to operate the critical facility.

For the Division of Civilian Application.

H. L. PRICE,
Director.

AUGUST 9, 1957.

[F. R. Doc. 57-6703; Filed, Aug. 14, 1957; 8:45 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

IDAHO

NOTICE OF HEARING ON PROPOSED WITHDRAWAL OF PUBLIC LANDS

AUGUST 7, 1957.

Notice is hereby given that a public hearing will be held at 10:00 a. m., Thursday, September 19 and Friday, September 20, 1957, in the Senate Chambers, Idaho State Capitol Building, Boise, Idaho. This request by the Bureau of Sport Fisheries and Wildlife, Department of the Interior (Idaho 06620 and 06544) is for the withdrawal from all forms of appropriation under the public land laws, including the mining laws but not the mineral leasing laws. The lands described hereafter are for use by the Idaho State Department of Fish and Game as spawning grounds for anadromous fish. The Notice of Proposed Withdrawal and Reservation of Lands was published in the FEDERAL REGISTER on December 22, 1955, Vol. 20, No. 248, page 9869.

The lands are described as follows:

PARCEL A (IDAHO 06544)

BOISE MERIDIAN, IDAHO

- T. 13 N., R. 8 E.,
 Sec. 1, SW $\frac{1}{4}$;
 Sec. 11, NE $\frac{1}{4}$;
 Sec. 12, W $\frac{1}{2}$;
 Sec. 13, W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$;
 Sec. 14, N $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 24, W $\frac{1}{2}$;
 Sec. 25, NW $\frac{1}{4}$;
 Sec. 26, N $\frac{1}{2}$, SW $\frac{1}{4}$;
 Sec. 34, S $\frac{1}{2}$;
 Sec. 35, N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
 Sec. 36, N $\frac{1}{2}$.
 T. 13 N., R. 9 E.,
 Sec. 25, S $\frac{1}{2}$;
 Sec. 26, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;
 Sec. 31, Lots 1, 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$;
 Sec. 32, N $\frac{1}{2}$, SE $\frac{1}{4}$;
 Sec. 33, S $\frac{1}{2}$;
 Sec. 34, N $\frac{1}{2}$, SW $\frac{1}{4}$;
 Sec. 35, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$.
 T. 13 N., R. 10 E. (unsurveyed),
 Sec. 22, SE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$;
 Sec. 23, N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 24, SW $\frac{1}{4}$;
 Sec. 25, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 27, NW $\frac{1}{4}$;
 Sec. 28, S $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 29, S $\frac{1}{2}$;
 Sec. 30, S $\frac{1}{2}$;
 Sec. 31, N $\frac{1}{2}$ N $\frac{1}{2}$.
 T. 13 N., R. 11 E. (unsurveyed),
 Sec. 25, SE $\frac{1}{4}$;
 Sec. 28, W $\frac{1}{2}$ SW $\frac{1}{4}$;
 Sec. 33, W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$, SE $\frac{1}{4}$;
 Sec. 34, SE $\frac{1}{4}$;
 Sec. 35, E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 36, W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$.
 T. 13 N., R. 12 E. (unsurveyed),
 Sec. 19, SE $\frac{1}{4}$;
 Sec. 20, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
 Sec. 21, S $\frac{1}{2}$;
 Sec. 22, SE $\frac{1}{4}$;
 Sec. 28, N $\frac{1}{2}$ NE $\frac{1}{4}$;
 Sec. 30, N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$.
 T. 12 N., R. 8 E.,
 Sec. 3, Lots 3, 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$;
 Sec. 10, W $\frac{1}{2}$.
 T. 12 N., R. 9 E.,
 Sec. 3, Lots 2, 3, 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$;
 Sec. 9, NE $\frac{1}{4}$, S $\frac{1}{2}$;

- Sec. 10, NW $\frac{1}{4}$;
 Sec. 16, NW $\frac{1}{4}$;
 Sec. 17, SE $\frac{1}{4}$;
 Sec. 20, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$.
 T. 12 N., R. 10 E.,
 Sec. 13, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 24, NE $\frac{1}{4}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$.
 T. 12 N., R. 11 E.,
 Sec. 3, Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$;
 Sec. 4, Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$;
 Sec. 9, SE $\frac{1}{4}$;
 Sec. 10, N $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 11, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$;
 Sec. 13, Lots 4, 5, 6, 7, 8, 9;
 Sec. 14, W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, SE $\frac{1}{4}$;
 Sec. 16, Lots 2, 3, 4, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 24, Lots 1, 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$.
 T. 12 N., R. 12 E., (unsurveyed),
 Sec. 5, S $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 6, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 7, NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 18, NW $\frac{1}{4}$.

Total acreage in I-06544: 17,161.30 acres.

PARCEL B (IDAHO 06620)

BOISE MERIDIAN, IDAHO

- T. 12 N., R. 12 E. (unsurveyed),
 Sec. 22, W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$;
 Sec. 27, NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$;
 Sec. 28, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 33, NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$.
 T. 11 N., R. 12 E.,
 Sec. 3, SW $\frac{1}{4}$;
 Sec. 4, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 10, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$;
 Sec. 11, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 12, SW $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 13, E $\frac{1}{2}$ W $\frac{1}{2}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$;
 Sec. 14, N $\frac{1}{2}$ NW $\frac{1}{4}$;
 Sec. 15, N $\frac{1}{2}$ NE $\frac{1}{4}$;
 Sec. 24, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 25, W $\frac{1}{2}$ E $\frac{1}{2}$;
 Sec. 36, NE $\frac{1}{4}$.
 T. 11 N., R. 13 E.,
 Sec. 31, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$.
 T. 10 N., R. 13 E.,
 Sec. 6, N $\frac{1}{2}$ NE $\frac{1}{4}$;
 Sec. 22, W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 23, SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 25, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 26, NE $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 34, S $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 35, W $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 36, E $\frac{1}{2}$.
 T. 9 N., R. 13 E. (unsurveyed),
 Sec. 1, E $\frac{1}{2}$;
 Sec. 2, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW, SW $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 3, All except NW $\frac{1}{4}$ NW $\frac{1}{4}$;
 Sec. 4, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 9, E $\frac{1}{2}$ E $\frac{1}{2}$;
 Sec. 10, All;
 Sec. 12, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
 Sec. 15, All except E $\frac{1}{2}$ E $\frac{1}{2}$;
 Sec. 16, All except NW $\frac{1}{4}$;
 Sec. 17, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 20, E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 21, All except SE $\frac{1}{4}$;
 Sec. 22, NW $\frac{1}{4}$ NW $\frac{1}{4}$.
 T. 8 N., R. 13 E.,
 Sec. 36, All except S $\frac{1}{2}$ S $\frac{1}{2}$.
 T. 7 N., R. 13 E.,
 Sec. 25, E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$.
 T. 9 N., R. 14 E.,
 Sec. 7, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 18, E $\frac{1}{2}$;
 Sec. 19, W $\frac{1}{2}$ E $\frac{1}{2}$;
 Sec. 30, W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 31, E $\frac{1}{2}$ NE $\frac{1}{4}$;
 Sec. 32, W $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$.
 T. 8 N., R. 14 E.,
 Sec. 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$;

- Sec. 5, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 8, E $\frac{1}{2}$ E $\frac{1}{2}$;
 Sec. 9, W $\frac{1}{2}$ W $\frac{1}{2}$;
 Sec. 17, NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 20, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 21, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 28, N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 29, NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 31, All except S $\frac{1}{2}$ S $\frac{1}{2}$;
 Sec. 32, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;
 T. 7 N., R. 14 E.,
 Sec. 4, SW $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 5, E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 9, NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$;
 Sec. 16, W $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 17, SE $\frac{1}{4}$;
 Sec. 19, NE $\frac{1}{4}$, S $\frac{1}{2}$;
 Sec. 20, All except SE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 29, NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 30, All except S $\frac{1}{2}$ S $\frac{1}{2}$.

Total acreage in I-06620: 13,723.81 acres.

The hearing will be open to attendance of opponents to the withdrawal who may state their views and to proponents of the withdrawal who may explain its purpose, intent, and extent; and to all interested persons who desire to be heard on the subject. All parties of interest are urged that if possible written statements of fact be submitted for the sake of expediting the hearing and developing a clear record. Further information may be obtained from the State Supervisor, Bureau of Land Management, P. O. Box 2237, Boise, Idaho.

J. R. PENNY,
 State Supervisor.

[F. R. Doc. 57-6683; Filed, Aug. 14, 1957;
 8:49 a. m.]

COLORADO

NOTICE OF PROPOSED WITHDRAWAL AND RESERVATION OF LANDS

AUGUST 7, 1957.

The Bureau of Land Management of the Department of the Interior has filed applications, serial Nos. Colorado 018387 and C-017768, for withdrawal of the lands described below from all forms of appropriation under the public land laws, including the general mining laws and the mineral leasing laws subject to valid existing rights.

The applicant desires the land for administrative sites for the construction of warehouses and appurtenant facilities required in connection with the administration of public domain lands.

For a period of thirty (30) days from the date of publication of this notice, persons having cause may present their objections in writing to the undersigned official of the Bureau of Land Management, Department of the Interior, 357 New Custom House, P. O. Box 1018, Denver 1, Colorado.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the applications are:

SIXTH PRINCIPAL MERIDIAN, COLORADO

Town Lots 11 through 20, inclusive, Block 23, Frontier Investment Company Subdivision of the Town of Kremmling, Colorado, containing 0.7 acres, more or less.

NEW MEXICO PRINCIPAL MERIDIAN, COLORADO

T. 45 N., R. 13 W.,

Sec. 27, part of the NE $\frac{1}{4}$ NE $\frac{1}{4}$, described as follows:

Beginning at a point on the south right-of-way line of State Highway No. 145 whence the north quarter corner of said Sec. 27 bears N. 0°40' W., 30 feet and S. 89°52' W., 2323.5 feet; thence N. 89°52' E., 100 feet along the south right-of-way line of State Highway 145; thence S. 0°40' E., 300 feet; thence S. 89°52' W., 100 feet; thence N. 0°40' W., 300 feet to the point of beginning, containing 0.688 acres, more or less, with frontage of 100 feet on State Highway 145, 300 feet on Hazel Street and 100 feet on Naturita Street.

SIXTH PRINCIPAL MERIDIAN, COLORADO

T. 7 N., R. 91 W.,

Sec. 35, The south one acre in a tract of land in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ described as follows:

Beginning at a point on the north right-of-way line of U. S. Highway No. 40, which is west 24' and north 140 feet from the southeast corner of Sec. 35, in T. 7 N., R. 91 W., of the 6th P. M.; thence west along the north right-of-way line of said Highway No. 40, a distance of 131 feet; thence north 332.52 feet; thence east 131 feet; thence south 332.52 feet; more or less to the point of beginning, containing one acre.

The areas described total approximately 2.388 acres of public lands.

J. ELLIOTT HALL,
Acting State Supervisor.

[F. R. Doc. 57-6684; Filed, Aug. 14, 1957;
8:50 a. m.]

OREGON

SMALL TRACT CLASSIFICATION AND OPENING NO. 58-1

AUGUST 5, 1957.

(1) Pursuant to the authority delegated by the Oregon State Supervisor, Bureau of Land Management, under Part III, Redellegation of Authority to Specified Classes of Employees, effective April 6, 1956 (21 F. R. 2253), the following described lands are hereby classified and opened under the Small Tract Act of June 1, 1938 (52 Stat. 609; 43 U. S. C. 682a) as amended, for lease and sale for residence, community or business site as listed in paragraph 4 below:

WILLAMETTE MERIDIAN, OREGON

T. 22 S., R. 10 E.

Sec. 11: N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$;

Sec. 14: Lots 124 to 159 incl.

The areas described total 112.5 acres of public land in Deschutes County.

(2) Classification of the above-described lands by this order segregates them from all appropriations, including location under the mining laws, except as to applications under the Small Tract Act and applications under the mineral leasing laws.

(3) The lands are located along or within one-half mile of U. S. Highway

No. 97, 30 miles south of Bend, Oregon. In addition to Highway 97, the land may also be reached by county roads. The lands are at an average elevation of 4225 feet above sea level and the topography is almost level. The lands are on the western edge of the semiarid desert country of eastern Oregon. The annual precipitation averages 15 to 17 inches, a good portion of which falls as snow during the late fall and early spring months. The summers are hot and dry, and the winters cold. The growing season is very uncertain and averages 60 to 90 days. Heavy frosts may be expected at any time during the year. The soil is volcanic in origin and usually consists of pumice with silty, sandy clay mixed with it. The vegetation consists of some brouse and little or no grass under cover and a stand of lodgepole pine, mostly of nonmerchantable pole size. There is no

evidence of valuable metallic or non-metallic minerals. There is no surface water but ground water may be reached at 20 to 40 feet. At the present time, domestic water may be obtained from wells. Other than roads, telephone and power lines, the land is unimproved.

(4) The individual tracts vary in size from approximately one to five acres, including rights-of-way, and are all rectangular in shape. An official survey plat showing the location of each tract in Section 14 may be secured for \$1.50 from the Area Administrator, P. O. Box 3861, 1001 N. E. Lloyd Blvd., Portland 8, Oregon. The appraised value of the tracts varies from \$50.00 to \$175.00 per tract. Rights-of-way 50 feet in width for access road purposes and for public utilities, and all existing County road rights-of-way will be reserved as shown below. All minerals in the land will be reserved to the United States.

Section 14, lot No.	Acres (approx.)	Advance rentals, 3-years	Road rights-of-way (width—location)	Appraised value
124	1.60	\$30.00	30' S. boundary, 25' W. boundary	\$64.00
125	1.00	30.00	30' N. boundary, 25' W. boundary	50.00
126	1.50	30.00	30' S. boundary, 25' E. boundary	60.00
127	1.00	30.00	30' N. boundary, 25' E. boundary	50.00
128	1.50	30.00	30' S. boundary, 25' W. boundary	60.00
129	1.00	30.00	30' N. boundary, 25' W. boundary	50.00
130	1.50	30.00	30' S. boundary, 25' E. boundary	60.00
131	1.00	30.00	30' road on N. boundary, 25' road on E. boundary	50.00
132	2.5	30.00	25' E. boundary	75.00
133	2.5	30.00	25' W. boundary	75.00
134	2.5	30.00	25' E. boundary	75.00
135	2.5	30.00	25' W. boundary	75.00
136	2.5	30.00	25' W. boundary	75.00
137	2.5	30.00	25' E. boundary	75.00
138	2.5	30.00	25' W. boundary	75.00
139	2.5	30.00	25' E. boundary	75.00
140	2.4	30.00	30' S. boundary, 25' E. boundary	96.00
141	2.4	30.00	30' S. boundary, 25' W. boundary	96.00
142	2.3	30.00	30' S. boundary, 25' E. boundary	92.00
143	2.2	30.00	30' S. boundary, 25' W. boundary	88.00
144	2.8	30.00	30' N. boundary, 25' W. boundary	112.00
145	2.7	15.00	30' N. boundary, 25' E. boundary	108.00
146	2.6	30.00	30' N. boundary, 25' W. boundary	104.00
147	2.6	30.00	30' N. boundary, 25' E. boundary	104.00
148	2.5	30.00	25' E. boundary	75.00
149	2.5	30.00	25' W. boundary	75.00
150	2.5	30.00	25' E. boundary	75.00
151	2.5	30.00	25' W. boundary	75.00
152	2.5	30.00	25' W. boundary	75.00
153	2.5	30.00	25' E. boundary	75.00
154	2.5	30.00	25' W. boundary	75.00
155	2.5	30.00	25' E. boundary	75.00
156	2.5	30.00	25' E. boundary	75.00
157	2.5	30.00	25' W. boundary	75.00
158	2.5	30.00	25' E. boundary	75.00
159	2.5	30.00	25' W. boundary	75.00
Sec. 11 SE $\frac{1}{4}$ SW $\frac{1}{4}$				
N $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$	5	30.00	30' N. boundary, Highway 97 on W. boundary	150.00
NE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$	2.5	30.00	25' N. boundary, Highway 97 on E. boundary	75.00
NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$	2.5	30.00	25' N. boundary	75.00
SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$	2.5	30.00	25' W. boundary	75.00
NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$	2.5	30.00	25' E. boundary	75.00
NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$	2.5	30.00	Highway 97 on W. boundary	50.00
NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$	3.75	30.00	Highway 97 on E. boundary	75.00
SE $\frac{1}{4}$ SW $\frac{1}{4}$				
E $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	3.75	60.00	Highway 97 on W. boundary, 30' S. boundary	175.00
SE $\frac{1}{4}$ SW $\frac{1}{4}$				
SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$	2.5	30.00	25' E. boundary, 30' road on S. boundary	100.00
SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$	2.5	30.00	25' W. boundary, 30' road on S. boundary	100.00

¹ Classified for community site purposes.

² Classified for business and residence site purposes. All other tracts classified for home sites.

(5) Leases will be issued for a term of three years on all tracts and will contain an option to purchase during the lease term in accordance with 43 CFR 257.13. Lessees who comply with the general terms and conditions of their leases will be permitted to purchase their tracts at the prices listed above, providing that during the period of their leases they either (a) construct the im-

provements specified in paragraph 7, or (b) file a copy of an agreement in accordance with 43 CFR 257.13 (d). Leases will be renewable at the discretion of the Bureau of Land Management, and the renewal lease will be subject to such terms and conditions as are deemed necessary in light of the circumstances and regulations existing at the time of renewal. However, a lease will not be re-

newable unless failure to construct the required improvements is justified under the circumstances and nonrenewal would work an extreme hardship on the lessee.

Rental for the two tracts during the lease period, which are classified for community and business sites, will be in accordance with the regulations of 43 CFR 257.11 (a).

(6) Persons who have previously acquired a tract under the Small Tract Act are not qualified to secure a tract unless they can make a showing satisfactory to the Bureau of Land Management that the acquisition of another tract is warranted in the circumstances.

(7) The improvements referred to in paragraph five above must conform with health, sanitation and construction requirements of local ordinances and must, in addition, meet the following standards:

(a) The main buildings for business, community and home site purposes must be suitable for year-round use; on a permanent foundation, preferably concrete, brick, pumice block or stone masonry; and with a minimum of 500 square feet of floor space, and have at least two doors as a means of access;

(b) All buildings must be constructed in a workmanlike manner out of attractive, properly finished materials in harmony with surroundings;

(c) All sewage disposal must be by means of septic tank systems only, which meet the specifications approved by the Oregon State Board of Health.

(d) Garbage and other wastes must be disposed of in flyproof containers or removed to an established disposal site.

(8) The lands are now open to filing of drawing-entry cards (Form 4-775) only by persons entitled to veteran's preference. In brief, persons entitled to such preference are (a) honorably discharged veterans who served in the armed forces of the United States for a period of at least 90 days after September 15, 1940, (b) surviving spouse or minor orphan children of such veterans, and (c) with the consent of the veteran, the spouse of living veterans. The 90-day requirement does not apply to veterans who were discharged on account of wounds or disability incurred in the line of duty or the surviving spouse or minor children of veterans killed in the line of duty. Drawing entry cards (Form 4-775) are available upon request from the Manager, Land Office, P. O. Box 3861, 1001 N. E. Lloyd Blvd., Portland 8, Oregon, and District Range Manager, P. O. Box 37, American Legion Bldg., 417 N. Main Street, Prineville, Oregon.

Drawing-entry cards will be accepted if filled out in compliance with the instructions on the form and filed with the Manager of the Land Office prior to 10:00 a. m., November 5, 1957. A public drawing will be held on that date or shortly thereafter. Persons filing cards need not be present to qualify. Any person who submits more than one card will be declared ineligible to participate in the drawing. Tracts will be assigned to entrants in the order that their names are drawn. All entrants will be notified of

the results of the drawing. Successful entrants will be sent copies of the lease forms (Form 4-776) with instructions as to their execution and return and as to payment of filing fees and rentals.

Any tracts for which lease forms have not been filed and accompanied by the required payments within the allowed period will immediately thereafter become available to alternate drawees in the order in which their names were drawn.

(9) All valid applications filed prior to May 17, 1956, date of recordation of proposed classification on Land Office records, will be granted preference right provided for by 43 CFR 257.5.

(10) Inquires concerning these lands should be addressed to the Manager, Land Office, 1001 N. E. Lloyd Blvd., P. O. Box 3861, Portland 8, Oregon.

ELTON M. HATTAN,
Lands and Minerals Officer.

AUGUST 5, 1957.

[F. R. Doc. 57-6685; Filed, Aug. 14, 1957;
8:50 a. m.]

[Serial No. Idaho 08362]

IDAHO

AMENDED NOTICE OF PROPOSED WITHDRAWAL AND RESERVATION OF LANDS

AUGUST 6, 1957.

The Civil Aeronautics Administration has amended their application under Serial No. Idaho 08362, for the withdrawal of the lands described below, from all forms of appropriation in accordance with Executive Order 10355 of May 26, 1952 (17 F. R. 4831; 3 C. P. A. 1952 Supp.), including mining and mineral leasing laws. The applicant desires the land for an air-to-ground communication facility.

For a period of thirty days from the date of publication of this notice, persons having cause may present their objections in writing to the undersigned official of the Bureau of Land Management, Department of the Interior, P. O. Box 2237, Boise, Idaho.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are:

BOISE MERIDIAN, IDAHO

T. 8 N., R. 1 W.,
Sec. 24, SE $\frac{1}{4}$ SW $\frac{1}{4}$.

A covenant of record shall preclude the construction or operating of any structure or equipment capable of emitting radio waves of any frequency upon lands contained within a radius of 1000 feet of the fenced area of the structure to be constructed by the Civil Aeronautics Administration. It is therefore deemed that such restrictions shall affect the following legal description:

BOISE MERIDIAN, IDAHO

T. 8 N., R. 1 W.,
Sec. 24, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$.

J. R. PENNY,
State Supervisor.

[F. R. Doc. 57-6686; Filed, Aug. 14, 1957;
8:50 a. m.]

FEDERAL POWER COMMISSION

[Docket Nos. G-11671, G-11765]

F. WILLIAM CARR ET AL.

NOTICE OF APPLICATIONS AND DATE OF
HEARING

AUGUST 9, 1957.

In the matters of F. William Carr, et al., Docket No. G-11671, Wilcox Trend Gathering System, Inc., Docket No. G-11765.

Take notice that on January 22, 1957, Wilcox Trend Gathering System, Inc. (Wilcox), a Delaware corporation having its principal place of business at Houston, Texas, filed in Docket No. G-11765 an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of approximately 0.57 mile of 3½-inch O. D. supply lateral pipeline extending from a point on the existing 3½-inch Wilcox lateral line to a point in the West Holly Field, DeWitt County, Texas, together with metering facilities. The proposed line would enable Wilcox to receive gas produced in the West Holly Field by F. William Carr, et al. (Carr). The estimated total cost of the proposed facilities is \$10,400, which cost is to be financed from corporate funds.

Also take notice that on December 26, 1956, Carr filed in Docket No. G-11671 an application for a certificate of public convenience and necessity covering the above sale of gas from the West Holly Field pursuant to a 20-year gas sales contract dated July 23, 1956, between Carr and Texas Eastern Transmission Corporation (Texas Eastern), assignee for Wilcox.

Carr states that its facilities consist of customary lease equipment. Deliveries to be made at the lease separator will commence upon receipt of authorizations and completion of Wilcox's facilities proposed herein.

Wilcox will transport the gas received from Carr for redelivery to Texas Eastern at Provident City, Texas, and Texas Eastern will transport such gas in interstate commerce for resale.

Said applications are on file with the Commission and open for public inspection.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject

"Et al." consists of William B. Gill, Roger Milliken and Frank G. Kingsley, all of whom are signatory seller parties, together with F. William Carr, to the sales contract involved.

to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on September 4, 1957, at 9:30 a. m., e. d. s. t., in a hearing room of the Federal Power Commission, 441 G Street, NW., Washington, D. C., concerning the matters involved in and the issues presented by such applications: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised it will be unnecessary for applicants to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 30, 1957. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F. R. Doc. 57-6687; Filed, Aug. 14, 1957;
8:50 a. m.]

[Docket No. G-12713]

PERMIAN BASIN PIPELINE CO.

NOTICE OF APPLICATION AND DATE OF HEARING

AUGUST 9, 1957.

Take notice that on June 10, 1957, Permian Basin Pipeline Company (Permian), a Delaware corporation having its principal place of business in Omaha, Nebraska, filed in Docket No. G-12713 an application for a certificate of public convenience and necessity pursuant to section 7 (c) of the Natural Gas Act authorizing it to make a short-term sale of natural gas to El Paso Natural Gas Company (El Paso) in Lea County, New Mexico, as more fully set forth in the application which is on file with the Commission and open to public inspection.

Permian proposes to sell to El Paso up to 200,000 Mcf of natural gas per day from wells in southeastern Lea County, New Mexico, for the period from June 1, 1957, through December 31, 1958, in order to allow Permian to make up its underproduction and El Paso to reduce its overproduction in this area under the proration regulation of the New Mexico Oil Conservation Commission. No additional facilities will be required for the proposed sale.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections

7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on September 10, 1957, at 9:30 a. m., e. d. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 26, 1957. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F. R. Doc. 57-6688; Filed, Aug. 14, 1957;
8:51 a. m.]

[Docket No. G-12828]

PACIFIC NORTHWEST PIPELINE CORP.

NOTICE OF APPLICATION AND DATE OF HEARING

AUGUST 9, 1957.

Take notice that on July 1, 1957, Pacific Northwest Pipeline Corporation, a Delaware corporation having its principal place of business in Salt Lake City, Utah, filed an application in Docket No. G-12828 for a certificate of public convenience and necessity pursuant to section 7 (c) of the Natural Gas Act authorizing the construction and operation of a tap on its existing 20-inch Spokane lateral located 5 miles southeast of Ritzville, Adams County, Washington, together with metering and regulating appurtenances to sell natural gas to Eastern Washington Natural Gas Company for resale, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Eastern Washington Natural Gas Company has a franchise from the City of Ritzville and a certificate from the Washington Public Service Commission authorizing it to construct and operate a natural gas distribution system in and around Ritzville.

The estimated requirements for the first three years of this service to Ritzville and vicinity are:

	1st year	2d year	3d year
Peak day (Mcf).....	578	729	881
Annual (Mcf).....	52,837	66,075	80,514

The estimated total cost of Pacific Northwest's facilities to render this gas service is \$17,624, to be defrayed from funds currently available.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on September 10, 1957, at 9:30 a. m., e. d. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 26, 1957. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F. R. Doc. 57-6689; Filed, Aug. 14, 1957;
8:51 a. m.]

[Docket No. G-11060]

UNITED FUEL GAS CO.

ORDER FIXING DATE FOR ORAL ARGUMENT

AUGUST 9, 1957.

On July 12, 1957, the Presiding Examiner issued his decision in the above-designated proceeding. Thereafter, on August 1, 1957, exceptions to that decision were filed by United Fuel Gas Company, The Ohio Fuel Gas Company, and The Manufacturers Light and Heat Company. Together with their respective exceptions each of the above-named companies also filed separate motions requesting opportunity to present oral argument before the Commission in opposition to the aforementioned decision.

The Commission finds: It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that the requests for oral argument before the Commission be granted as herein ordered and provided.

The Commission orders:

(A) Oral argument shall be had before the Commission on October 3, 1957, at 10:00 a. m., e. d. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved and the issues presented by the exceptions to the Presiding Examiner's decision.

(B) Those parties to this proceeding who intend to participate in the oral

argument shall notify the Secretary of this Commission on or before September 16, 1957, of such intention and the time required for presentation of their argument.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F. R. Doc. 57-6690; Filed, Aug. 14, 1957;
8:51 a. m.]

[Docket No. G-13030]

MAGNOLIA PETROLEUM CO.

ORDER FOR HEARING AND SUSPENDING PROPOSED CHANGE IN RATES

AUGUST 9, 1957.

Magnolia Petroleum Company (Magnolia) on July 10, 1957, tendered for filing a proposed change in its presently effective rate schedule for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notices of Change, undated.
Purchaser: El Paso Natural Gas Company.
Rate schedule designation: Supplement No. 4 to Magnolia's FPC Gas Rate Schedule No. 76.

Effective date: ¹ August 10, 1957.

Magnolia requests waiver of notice to provide an effective date of July 16, 1957, because its increased rate was contractually payable March 11, 1957, but El Paso did not notify Manoliga until May 31, 1957, of increased payments by it to other suppliers, which, under Magnolia's contract, provided the impetus for its instant proposal.

In support of its increase, Magnolia states, in effect, that the contract resulted from good faith arm's length bargaining, the gas is sold on an installment basis, gas is a commodity as opposed to a service rendered by a pipe line or distribution company, there is a physical limitation upon a wasting asset such as natural gas and rising costs necessitate increased rates.

The proposed increase is based on the favored nation provision of the rate schedule. The increase is said to have been "triggered" by the spiral escalation rate increase of Phillips Petroleum Company for gas sales in the Permian Basin to El Paso, which increase was suspended in Docket No. G-11217, and made effective subject to refund on March 11, 1957.

The increased rate and charge so proposed has not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR, Chapter I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge.

(B) Pending such hearing and decision thereon, said supplement be and it is hereby suspended and the use thereof deferred until January 10, 1958, and until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended, nor the rate schedule sought to be altered thereby, shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F. R. Doc. 57-6691; Filed, Aug. 14, 1957;
8:51 a. m.]

[Docket No. G-12837]

SOUTHERN NATURAL GAS CO.

NOTICE OF APPLICATION AND DATE OF HEARING

AUGUST 9, 1957.

Take notice that on July 3, 1957, Southern Natural Gas Company (Applicant), filed in Docket No. G-12837 an application pursuant to section 7 (c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of approximately 1.7 miles of 20-inch O. D. loop pipeline paralleling the existing 20-inch O. D. east leg of its South Louisiana supply system from Applicant's Mile 67.94 to its Mile Post 69.64 all as more fully set forth in the application which is on file with the Commission and open to public inspection.

The application states that the proposed facility will not materially affect the capacity of Applicant's present line in this area but will be necessary to future long range plans for looping the east leg of its system from the Toca Compressor Station to the Franklinton Compressor Station. Construction at this time is projected to take advantage of the presence of necessary construction equipment in the area and because the completion of present construction by the Orleans Parish Levee Board may make future pipe-laying by Applicant at this point impossible.

Necessary material and funds to cover the estimated construction cost of \$262,-

471 are stated to be on hand. No additional service is proposed.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on September 11, 1957, at 9:30 a. m. e. d. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however*, That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before August 27, 1957. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F. R. Doc. 57-6692; Filed, Aug. 14, 1957;
8:51 a. m.]

[Docket No. G-13032]

MARACAIBO OIL EXPLORATION CORP. ET AL.

ORDER FOR HEARING AND SUSPENDING PROPOSED CHANGE IN RATES

AUGUST 9, 1957.

Maracaibo Oil Exploration Corporation (Operator), et al., (Maracaibo), on July 10, 1957, tendered for filing a proposed change in its presently effective rate schedule for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of Change, dated July 10, 1957.

Purchaser: Transcontinental Gas Pipe Line Corporation.

Rate schedule designation: Supplement No. 16 to Maracaibo's FPC Gas Rate Schedule No. 1.

Effective date: ¹ August 10, 1957.

In support of the proposed favored-nations rate increase, Maracaibo quotes the pertinent pricing provision to the effect that if Transcontinental Gas Pipe Line Corporation (Transcontinental) purchases gas in a described area at a more favorable rate than in Maracaibo's contract, then Transcontinental shall increase the rate it pays Maracaibo to equal

¹ The stated effective date is the first day after expiration of the required thirty days' notice.

the higher rate. Maracaibo states that as a result of purchases by Transcontinental within the pricing area from several named producers, Maracaibo is contractually entitled to the higher rate.

The tendered filing is a resubmittal of a previously disallowed favored-nations rate increase for gas sold to Transcontinental in Acadia Parish, Louisiana. The previous proposed increase to the same rate was dismissed by the Commission in Docket No. G-6279 (G-8288, et al.) by order issued February 6, 1957. The subject tender also incorporates an increase for sales formerly made by E. J. Hudson, et al.² to Transcontinental, whose proposed similar increase was disallowed in Docket No. G-4335. By order issued March 14, 1957, the Commission stayed execution of its order disallowing these increases pending court action upon a stay of such order. On June 3, 1957, a petition for review and stay of the Commission disallowing order was filed with the U. S. Court of Appeals for the Fifth Circuit.

Maracaibo states that in the earlier suspension proceedings it sought to justify the increased rate on a commodity value theory but the Commission in its order disallowing the increase, stated that the record (1) did not show the revenue requirements, (2) did not show that the increase was no higher than necessary; and further stated that the conventional rate-base method of rate making is essential as a basis of comparison to determine if the increase was needed. Maracaibo further states that the purpose of the refiling is to supply evidence of the kind specified in the Commission's order and that such evidence will demonstrate that the 17¢ per Mcf is just and reasonable when measured on the conventional rate-base method and is necessary to promote exploration for, and development of, gas supply.

The increased rate and charge so proposed has not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change, and that the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the

² On November 5, 1956, as amended May 7, 1957, Maracaibo filed a notice stating that it had succeeded to E. J. Hudson and John Baird's interest in such sales made under E. J. Hudson, et al., FPC Gas Rate Schedule No. 3, and requesting that the interests of the "et al." parties under Hudson's rate schedule henceforth be covered by Maracaibo's rate schedule and Maracaibo be allowed to take over Hudson's and others' interest in the suspension Docket No. G-4335.

Secretary concerning the lawfulness of the proposed increased rate and charge.

(B) Pending such hearing and decision thereon, said supplement be and it is hereby suspended and the use thereof deferred until January 10, 1958, and until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended, nor the rate schedule sought to be altered thereby, shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37 (f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F. R. Doc. 57-6715; Filed, Aug. 14, 1957;
8:48 a. m.]

INTERSTATE COMMERCE COMMISSION

FLOYD A. MECHLING

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

Pursuant to subsection 302 (c), Part III, Executive Order 10647 (20 F. R. 8769) "Providing for the Appointment of Certain Persons Under the Defense Production Act of 1950, as amended," I hereby furnish for filing with the Division of the Federal Register for publication in the FEDERAL REGISTER the following information showing any changes in the interests set forth in my statement of financial interests and business connections dated January 29, 1957 and published in the FEDERAL REGISTER February 16, 1957 (22 F. R. 996):

- A. Additions: None.
- B. Deletions: None.

Dated: July 29, 1957.

[SEAL] FLOYD A. MECHLING.

[F. R. Doc. 57-6694; Filed, Aug. 14, 1957;
8:52 a. m.]

[Rev. S. O. 562, Taylor's I. C. C. Order 86,
Amdt. 3]

FORT WORTH AND DENVER RAILWAY CO. REROUTING OR DIVERSION OF TRAFFIC

Upon further consideration of Taylor's I. C. C. Order No. 86 and good cause appearing therefor:

It is ordered, That:

Taylor's I. C. C. Order No. 86, be, and it is hereby, amended by substituting the following paragraph (g) for paragraph (g) thereof:

(g) *Expiration date:* This order shall expire at 11:59 p. m., September 15, 1957, unless otherwise modified, changed, suspended or annulled.

It is further ordered, That this amendment shall become effective at 11:59

p. m., August 15, 1957, and that this order shall be served upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and per diem agreement under the terms of that agreement, and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., August 6, 1957.

INTERSTATE COMMERCE
COMMISSION,
CHARLES W. TAYLOR,
Agent.

[F. R. Doc. 57-6693; Filed, Aug. 14, 1957;
8:52 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 8-3233]

ALLEN E. BEERS CO.

FINDINGS, OPINION AND ORDER REVOKING
BROKER-DEALER REGISTRATION

AUGUST 7, 1957.

In the matter of Allen E. Beers Company, Western Savings Fund Building, Broad & Chestnut Streets, Philadelphia 7, Pennsylvania, File No. 8-3233.

BROKER-DEALER REGISTRATION

GROUND FOR REVOCATION OF REGISTRATION

Misrepresentations and Omissions to State
Material Facts in Transactions with Customers

Failure to File Financial Reports

Failure to Keep Books and Records Current

Extension of Credit

Where registered broker and dealer sold securities to customers on basis of false and misleading representations as to future production, profits and earnings of the issuer and the market value of the securities, failed to keep its books and records current, failed to file financial reports and extended credit in violation of Regulation T, held, in the public interest to revoke registration.

This is a proceeding pursuant to section 15 (b) of the Securities Exchange Act of 1934 ("Exchange Act") to determine whether to revoke the registration as a broker and dealer of Allen E. Beers Company ("registrant"), a partnership, and whether, under section 15A (b) (4) of the Exchange Act, Allen E. Beers, the controlling partner, is a cause of any order of revocation which may be entered against registrant.¹

¹ Section 15 (b) of the Exchange Act as applicable to this case, provides that we may revoke the registration of a broker or dealer if we find that it is in the public interest and that such broker or dealer, or any partner or controlling or controlled person of such broker or dealer has willfully violated any provision of the Securities Act of 1933 or of the Exchange Act or any rule or regulation thereunder.

Under section 15A (b) (4) of the Exchange Act, in the absence of our approval or direction, no broker or dealer may be admitted to or continued in membership in a national securities association if such broker or dealer or any partner, officer, director or branch manager or any controlling or controlled person of such broker or dealer is a cause of any order of revocation which is in effect.

The order for proceedings, as amended, alleges that registrant obtained money and property by means of untrue statements of material facts and omissions to state material facts and engaged in transactions, practices, and a course of business which operated as a fraud and deceit upon purchasers in violation of section 17 (a) of the Securities Act of 1933 ("Securities Act") and section 15 (c) (1) of the Exchange Act and Rule X-15C1-2 (a) and (b) thereunder;² failed to make and keep current records in violation of section 17 (a) of the Exchange Act and Rule X-17A-3 thereunder;³ failed to file reports of its financial condition in violation of section 17 (a) of the Exchange Act and Rule X-17A-5 thereunder;⁴ and unlawfully extended credit to customers in violation of section 7 (c) (1) of the Exchange Act and Regulation T adopted thereunder by the Federal Reserve Board.⁵

Registrant and Beers waived a hearing and recommended decision by a hearing examiner and entered into a stipulation and consent to the revocation of registrant's registration. In such stipulation and consent registrant and Beers admit, for the purpose of this and any other proceeding pursuant to section 15 (b) of the Exchange Act, and we find, that registrant extended credit unlawfully in violation of Regulation T, failed to make and keep current certain of its books and records, and failed to file a financial report for the calendar year 1956.

On the basis of the stipulation and consent we also find that registrant's salesmen sold stock of Minerals Processing Company to customers by means of false and misleading representations that, among other things, the company's profits would be substantial because of the discovery of rich mica and beryl, that there would be increases in the company's production, profits and earnings

and the value of its stock, and that the company and its stock would be the object of favorable magazine and television publicity. Although Beers claims that such misrepresentations were made without his knowledge or authorization, Beers is the controlling partner of registrant and admits that he is responsible for the salesmen's statements.

On the basis of the foregoing, we find that registrant willfully violated section 17 (a) of the Securities Act, sections 15 (c) (1), 7 (c) (1) and 17 (a) of the Exchange Act and Rules X-15C1-2 (a) and (b), X-17A-3 and X-17A-5 and Regulation T under the latter act.

We conclude that public interest requires that registrant's registration as a broker and dealer be revoked and that Beers is a cause of our order of revocation.

Accordingly, it is ordered, That the registration of Allen E. Beers Company as a broker and dealer be, and it hereby is, revoked, and it is found that Allen E. Beers is the cause of this order of revocation.

By the Commission (Acting Chairman Orrick and Commissioners Hastings and Sargent), Commissioner Patterson not participating.

[SEAL]

ORVAL L. DUBOIS,
Secretary.[F. R. Doc. 57-6695; Filed, Aug. 14, 1957;
8:52 a. m.]

[File No. 8-5370]

WENDELL E. KINDLEY CO.

FINDINGS, OPINION AND ORDER REVOKING
BROKER-DEALER REGISTRATION

AUGUST 7, 1957.

In the matter of Wendell Elmer Kindley doing business as Wendell E. Kindley Co., 204 Corbett Building, 430 SW. Morrison Street, Portland, Oregon, File No. 8-5370.

BROKER-DEALER REGISTRATION

GROUNDS FOR REVOCATION

Injunction

Violations of Securities Exchange Act

Failure To Keep Books and Records

Failure To Comply With Net Capital Requirements

Doing Business While Insolvent

Where registered broker-dealer effected securities transactions while in violation of the net capital rule; failed to make and keep current all required books and records; bought securities while insolvent; and is permanently enjoined from engaging in the securities business unless he complies with net capital and records requirements, held, in the public interest to revoke registration and not to permit withdrawal.

Appearances: Donald J. Stocking, of the Seattle Regional Office of the Commission, for the Division of Trading and Exchanges. William F. Lubersky, of Koerner, Young, McColloch and Dezen-dorf, for registrant.

This is a proceeding under section 15 (b) of the Securities Exchange Act of 1934 ("act") to determine whether the registration as a broker and dealer of Wendell Elmer Kindley, doing business as Wendell E. Kindley Co. ("registrant"), should be revoked.¹

The order for proceedings alleges that registrant has been temporarily enjoined from engaging in and continuing certain conduct and practices in connection with the purchase and sale of securities; that in the period from October 1, 1956 to October 22, 1956, registrant purchased securities without disclosing that he was not in a position to pay for them, and he failed to pay for such securities in violation of sections 10 (b) and 15 (c) (1) of the act and Rules 17 CFR 240.10b-5 and 240.15c1-2 (a) and (b) thereunder;² and that during the period from September 17, 1956 to April 8, 1957 registrant traded in securities when his aggregate indebtedness exceeded 2,000 percent of his net capital, in violation of section 15 (c) (3) of the act and Rule 17 CFR 240.15c3-1 thereunder;³ and failed to make and keep current books and records as required by Rule 17 CFR 240.17a-3 adopted under section 17 (a) of the act.

On March 11, 1957, registrant filed a notice of withdrawal of his registration as a broker and dealer, but as a result of the institution of these proceedings by our order dated April 8, 1957, such withdrawal has not become effective.⁴

Registrant and the Division of Trading and Exchanges waived a hearing and a recommended decision and submitted a "Stipulation of Facts and Consent to Revocation" in which they agreed to certain facts and registrant consented to a finding that he had willfully violated the act and rules thereunder and had been enjoined, as alleged in the order

¹Section 15 (b) of the act, as applicable to this case, provides that we may revoke the registration of a broker or dealer if we find that it is in the public interest and that such broker or dealer is enjoined by any court of competent jurisdiction from engaging in any conduct or practice in connection with the purchase or sale of any security, or has willfully violated any provision of the act or any rule or regulation thereunder.

²The effect of sections 10 (b) and 15 (c) (1) of the act and Rules 240.10b-5 and 240.15c1-2 (a) and (b) thereunder, as applicable here, is to make unlawful the use of the mails or instrumentalities of interstate commerce to effect a purchase of a security by means of a device to defraud, a false or misleading statement of a material fact, or any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

³Section 15 (c) (3) of the act and 240.15c3-1 thereunder, together prohibit a broker or dealer from using the mails or facilities of interstate commerce to effect over-the-counter transactions when his aggregate indebtedness to all other persons exceeds 2,000 per cent of net capital computed as specified in the rule.

⁴Rule 17 CFR 240.15b-6 adopted under section 15 (b) of the act provides that a notice of withdrawal of registration becomes effective in 30 days unless prior thereto we institute a proceeding to revoke or suspend the registration.

²The composite effect of section 17 (a) of the Securities Act and section 15 (c) (1) of the Exchange Act and X-15C1-2 (a) and (b) thereunder as applicable to this case is to make unlawful the use of the mails or means of interstate commerce in connection with the purchase or sale of any security by the use of a device to defraud, untrue or misleading statements of a material fact, or any act, practice, or course of business which operates or would operate as a fraud or deceit upon a customer, or by the use of any other manipulative, deceptive or fraudulent device.

³Rule X-17A-3 provides in part that every registered broker and dealer shall make and keep current records of original entry of all purchases and sales, all receipts and disbursements, and all debits and credits, and ledgers reflecting all assets and liabilities, income and expenses and capital accounts.

⁴Rule X-17A-5 provides that every registered broker and dealer shall file a report of financial condition during each calendar year.

⁵Section 7 (c) (1) of the Exchange Act, as applicable here, in general makes it unlawful for any broker or dealer who transacts in securities through the medium of any member of a national securities exchange to extend credit to a customer in contravention of regulations prescribed by the Federal Reserve Board under section 7 of the Exchange Act.

for proceedings. On the basis of our independent review, we make the following findings.

A preliminary injunction was issued against registrant on December 3, 1956, by the District Court of the United States for the District of Oregon. This injunction was made permanent by a consent decree entered on April 19, 1957, under which registrant was enjoined from engaging in the securities business while in violation of our net capital and record keeping requirements. From October 17, 1956, the effective date of registrant's registration, to December 3, 1956, he had failed to make and keep current all the books and records required by Rule 240.17a-3 and had used the mails and the means and instrumentalities of interstate commerce to effect transactions in and to induce the purchase and sale of securities when his aggregate indebtedness to all other persons exceeded 2,000 per centum of his net capital computed as specified in Rule 240.15c3-1.

Further, in eight transactions during October 1956 registrant purchased securities from broker-dealers through the use of the mails and the means of interstate commerce when he was not in a position to pay for such securities, as

a result of which he was unable to pay for them upon delivery and some of the sellers suffered losses because of his failure to consummate the purchases.

We find that by the foregoing conduct registrant willfully violated sections 10 (b), 15 (c) (1), 15 (c) (3), and 17 (a) of the act and Rules 240.10b-5, 240.15c1-2 (a) and (b), 240.15c 3-1 and 240.17a-3 thereunder. In view of the injunction and these willful violations we conclude it is in the public interest to revoke registrant's registration as a broker and dealer, and not to permit the notice of withdrawal to become effective.

Accordingly it is ordered, That the registration as a broker and dealer of Wendell Elmer Kindley, doing business as Wendell E. Kindley Co., be, and it hereby is, revoked, and that his notice of withdrawal from registration be, and it hereby is, not permitted to become effective.

By the Commission (Acting Chairman Orrick and Commissioners Hastings and Sargent), Commissioner Patterson not participating.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 57-6696; Filed, Aug. 14, 1957;
8:52 a. m.]

HOUSING AND HOME FINANCE AGENCY

Office of the Administrator

REGIONAL ADMINISTRATORS

DELEGATION OF AUTHORITY WITH RESPECT TO HOUSING FOR EDUCATIONAL INSTITUTIONS

Each Regional Administrator of the Housing and Home Finance Agency is hereby authorized within his region to execute loan agreements and amendatory loan agreements in connection with carrying out the program authorized under Title IV of the Housing Act of 1950, as amended (64 Stat. 77, as amended, 12 U. S. C. 1749-1749c), designed to assist educational institutions of higher learning in providing housing for their students and faculties.

(Reorg. Plan No. 3 of 1947, 61 Stat. 954; 62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U. S. C. 1952 ed. 1701c)

Effective as of the 15th day of August 1957.

[SEAL]

ALBERT M. COLE,
Housing and Home Finance
Administrator.

[F. R. Doc. 57-6733; Filed, Aug. 14, 1957;
8:49 a. m.]



